

JOURNAL
OF THE
HOUSE OF REPRESENTATIVES
OF THE
COMMONWEALTH OF KENTUCKY

REGULAR SESSION, 1950

VOL. III

Begun on the third day of January and adjourned sine die
on the seventeenth day of March, 1950

PROPERTY OF THE COMMONWEALTH OF
KENTUCKY

DUNNE PRESS
PRINTERS TO THE COMMONWEALTH OF KENTUCKY
LOUISVILLE, KENTUCKY

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Regular Session, 1950

FRIDAY, MARCH 3, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Paul S. Stauffer, pastor of the First Christian Church, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	L. E. Bradley	B. H. Crider
Bill Adams	Edward O. Bridgers	Owen Deering
Edgar Arnett	Thomas L. Britton	Thomas R. Duncan
Sidney Baer	Charles J. Bronston	R. C. Estepp, Sr.
Walter J. Bailey	J. D. Buckman, Jr.	Mitchell S. Fannin
Clarence J. Barnum	Charles W. Burnley	Henry C. Hale
C. E. Baumgardner	Alex Calvert	C. A. Hammons
Leonard T. Bean	Stanley Carter	James P. Hanratty
John D. Beatty	Paul Combs	Paul E. Hayes
Fred Beshear	R. Josh Cosby	John A. Head

William K. Henry	John Martin	Jesse H. Shelton
E. R. Hilton	William T. Marshall	Forest Smith
Ray Holbrook	G. Lee McClain	Joseph T. Snapp
Woodrow W. Hollan	Jack McPherron	John M. Spaulding
W. M. Horn	Alton Mitchell	Roy Steers
Richard R. Hout	Archie R. Moore	Raymond D. Stigall
Durham W. Howard	Emmett G. Moore	Mrs. Thelma Stovall
Maurice G. Howard	Walter R. Moorman	W. R. Stringer
Robert N. Hubbard	C. S. Nabb	Egbert V. Taylor
Silas Jacobs	Dr. C. E. Palmore	M. G. Thompson
Paul S. Jonas	James H. Polsgrove	Rev. T. H. Tinsley
Barkley Jones	Leonard W. Preston	Fred M. Warns
William Jones	Hobart Rayburn	Harry Lee Waterfield
James W. Lambert	W. R. Reasor	Lyle H. Webb
Jesse H. Lawrence	Amos Runyan	G. F. Williamson
Mrs. J. T. Linton	Dr. Roy Sanders	Charles W. Wirsch
Homer E. Losey	Roy Searcy	Adron Doran,
A. L. (Chick) Love	Paul E. Shannon	Speaker
Harry K. Lowman	Gus Sheehan, Jr.	

Mr. Baer moved that leaves of absence be granted to Messrs. Blevins, Drury, Harris, Helm, Holsclaw, Mackey, Majors, Morgan, Ruh, Saylor, Shaw, Stacy, Walter, Weintraub and Mrs. Burnett.

Said motion was agreed to.

Mr. Hilton moved that the reading of the Journal of the proceedings of Thursday, March 2, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Hanratty moved that the rules be suspended and the House do now proceed to the Orders of the Day.

Said motion was agreed to by a majority of the members elected.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 116. AN ACT relating to insurance; creating a Department of Insurance and establishing the office of Commissioner of the Department of Insurance; providing a comprehensive Insurance Code for the Commonwealth of Kentucky; regulating and governing the business of insurance, and providing penalties for the violation of such Code; repealing KRS 296.010 through 296.990, KRS 297.010 through 297.990, KRS 298.990, KRS 299.080 and 299.090, KRS 300.150, KRS 301.010 through 301.140, and KRS 302.010 through 302.990; amending KRS Chapter 299 and Chapter 300, and declaring that this act shall become effective on September 1, 1950.

With Committee amendments thereto.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. There is hereby enacted an Insurance Code for the Commonwealth of Kentucky as follows:

ARTICLE ONE

SCOPE OF CODE

304.001 SHORT TITLE: KRS Chapter 304 constitutes and may be cited as the Kentucky Insurance Code.

304.002 "INSURANCE" DEFINED: Insurance is a contract whereby one undertakes to indemnify another or pay a specified amount upon determinable contingencies.

304.003 "INSURER" DEFINED: "Insurer" includes every person engaged in the business of making contracts of insurance. A reciprocal, an inter-insurance exchange, or a Lloyd's organization is an "insurer."

304.004 COMPLIANCE REQUIRED: No person shall transact a business of insurance in this state without complying with applicable provisions of this code.

304.005 "PERSON" DEFINED: "Person" means any individual, company, insurer, association, organization, group, reciprocal, or inter-insurance exchange, partnership, business trust, or corporation.

304.006 EXISTING LICENSES: Every license or certificate of authority in force at the effective date of this code and existing under any act herein repealed is valid until its original expiration date unless earlier terminated by express order pursuant to this code.

304.007 EXISTING INSURANCE FORMS, FILINGS: Every form of insurance document and every rate or other filing lawfully in use or lawfully filed at the effective date of this code may continue to be so used or be effective, until the commissioner otherwise prescribes pursuant to this code; except, that neither this code nor the commissioner shall prohibit the use of any such document before expiration of one year from and after the effective date of this code.

304.008 EXISTING ACTIONS, VIOLATIONS: No action taken by the commissioner nor proceeding commenced, nor right accrued, nor violation of law existing under any act herein repealed is affected by the repeal, but all procedure hereafter taken in reference thereto shall conform to this code as far as possible.

304.009 HEADINGS: The meaning or scope of any provision is not affected by article, section, or subsection headings.

304.010 PARTICULAR PROVISIONS PREVAIL: Provisions of this code relating to a particular kind of insurance or a particular type of insurer or to a particular matter shall prevail over provisions relating to insurance in general or insurers in general or to such matter in general.

304.011 CONSTITUTIONALITY: If any provision of this code or the application thereof to any circumstance is held invalid, the remainder of the code or the application of the provision to other circumstances shall not be affected thereby. If any part of this code is adjudged to be invalid such judgment shall not invalidate the remainder of this code but shall be confined in its effect solely to the part directly involved in the proceeding in which rendered.

304.013 EXCEPTED ORGANIZATIONS: (1) This code shall not apply to or govern the existence, operations, contracts, officers, directors or representatives of:

(a) Societies, companies or associations organized under the authority and patronage of any church or religious denomination for the exclusive purpose of insuring the property of churches or religious denominations and the personal property or lives of the pastors and ministers thereof.

(b) Fraternal benefits societies, hospital service corporations, medical service corporations, or burial associations except as expressly provided in laws relating to such societies, corporations or associations.

(2) Except as expressly stated in KRS Chapter 299, no article, section provision, or other part or portion of this code except this subsection, and the specific exemptions contained in article sixteen, shall in any manner apply to, govern, or affect domestic assessment or cooperative insurers, or their existence, operations, contracts, policies, or affairs, or their officers, directors, agents, or other employees or representatives as such.

304.014 EFFECTIVE DATE: This code shall become effective on the first day of September, nineteen hundred and fifty.

ARTICLE TWO

INSURANCE COMMISSIONER

304.016 INSURANCE DEPARTMENT: (1) There is created a Department of Insurance, which shall constitute a statutory administrative department of the state government within the meaning of Chapter 12 of the Kentucky Revised Statutes. The department shall be headed by a Commissioner of Insurance.

(2) "Commissioner," where used in this code means the Commissioner of Insurance of this state. "Department," where used in this code means the Department of Insurance.

304.018 COMMISSIONER'S GENERAL POWERS, DUTIES:

(1) The commissioner shall have the authority expressly conferred upon him by or reasonably implied from the provisions of this code.

(2) The commissioner shall execute his duties and shall enforce the provisions of this code.

(3) The commissioner may:

(a) Make reasonable rules and regulations for effectuating any

provision of this code. No such rules and regulations shall be effective prior to filing with the Secretary of State as required by law.

(b) Conduct examinations and investigations to determine whether any person has violated any provisions of this code or to secure information useful in the lawful administration of any such provision.

(c) Establish and maintain such branch offices in this state as may reasonably be required for the efficient administration of this code.

304.020 SEAL: (1) The commissioner shall devise a seal for the Department of Insurance, and shall file a description and impression thereof, with a certificate of approval by the Governor, in the office of the Secretary of State.

(2) Every certificate or license issued by the commissioner shall bear the seal of the department.

304.021 DOCUMENTS UNDER SEAL: Every certificate, assignment or conveyance executed by the commissioner, relating to the business of insurance or an insurer, in pursuance of authority conferred by law, and sealed with the seal, shall be received as evidence, and may be recorded in the same manner and with the same effect as a deed regularly acknowledged or proved before an officer authorized by law to take the proof or acknowledgment of deeds.

304.022 ORDERS, NOTICES: (1) Orders and notices of the commissioner shall not be effective unless in writing signed by him or by his authority.

(2) Every such order or notice shall (a) contain a concise statement of the ground on which it is based and (b) designate the provisions of this code pursuant to which action is so taken or proposed to be taken, and (c) the effective date of such order or notice.

(3) An order or a notice may be given by delivery to the person to be ordered or notified or by mailing it, postage prepaid, addressed to him at his residence or principal place of business as last of record in the department.

304.023 ENFORCEMENT: (1) The commissioner may prosecute an action in any circuit court or proper venue to enforce any order made by him pursuant to any provision of this code.

(2) If the commissioner has cause to believe that any person has violated any penal provision of this code or of other laws relating to insurance he shall certify the facts of the violation to the Attorney

General and to the public prosecutor of the jurisdiction in which the offense was committed.

(3) If the commissioner has cause to believe that any person is violating or is about to violate any provision of this code or any order of the commissioner, he may bring an action in any circuit court of proper venue to enjoin the person from continuing the violation or doing any act in furtherance thereof.

(4) The commissioner may employ an attorney, or attorneys, to be on the staff of the Department of Insurance. Such an attorney shall have full power to advise and represent the commissioner and the department in all matters as requested by the commissioner.

(5) The Attorney General and the several Commonwealth Attorneys and County Attorneys throughout this state shall prosecute or defend all proceedings brought in this state pursuant to the provisions of this code when requested by the commissioner.

304.024 COMMISSIONER MAY DELEGATE: Any power, duty, or function vested in the commissioner by any provision of this code may be exercised, discharged, or performed by any deputy, assistant, or examiner of the department acting in the commissioner's name and by his delegated authority.

304.025 RECORDS: (1) The commissioner shall preserve in permanent form records of his proceedings, hearings, investigations, and examinations, and shall file such records in his office.

(2) The commissioner's records and insurance filings in his office shall be open to public inspection, except as otherwise provided in this code.

(3) The commissioner may destroy records, papers, and filings which in his judgment are of no further material value to the state; but he shall not destroy any record, paper, or filing on file with the department for a period of less than six years or made, received, or filed with the department during his administration.

304.027 ANNUAL REPORT: As soon as possible after the annual statements of insurers have been filed in the department, the commission shall annually make and publish a report which shall contain:

(1) A report of the condition of all insurers authorized to do business in this state during the preceding calendar year.

(2) Additional information relative to insurance operations in this state as he deems proper.

304.030 EXAMINATION OF INSURERS: (1) The commissioner may examine the affairs, transactions, accounts, records, documents, and assets of each authorized insurer as often as he deems prudent. He shall so examine each domestic insurer not less frequently than every four (4) years. Examination of an alien insurer may be limited to its insurance transactions in the United States.

304.031 MAY ACCEPT OTHER EXAMINATION: In lieu of any such examination as to a foreign or alien insurer or person the commissioner may accept the full report of a similar examination made by the insurance supervisory official of another state pursuant to the laws of such state.

304.033 EXAMINATION OF AGENTS, MANAGERS, PROMOTERS: For the purpose of ascertaining its condition or compliance with this code the commissioner may as often as he deems prudent examine the insurance accounts, records, documents, and transactions of:

(1) Any insurance agent, solicitor, surplus line broker or public adjuster.

(2) Any person having a contract under which he enjoys in fact the exclusive or dominant right to manage or control an insurer.

(3) Any person holding the shares of capital stock or policyholder proxies of a domestic insurer for the purpose of control of its management either as voting trustee or otherwise.

(4) Any person engaged in or proposing to be engaged in or assisting in the promotion or formation of a domestic insurer, or insurance holding corporation, or stock corporation to finance a domestic mutual insurer, or a corporation to be attorney-in-fact for a domestic reciprocal insurer.

304.034 ACCESS TO RECORDS; CORRECTION: (1) Every person being examined, its officers, employees, agents, and representatives shall produce and make freely accessible to the commissioner or his examiners the accounts, records, documents, and files in his possession or control relating to the subject of the examination, and shall otherwise facilitate the examination.

(2) If the commissioner finds the accounts to be inadequate, improperly kept or posted, he may employ experts to rewrite, post or balance them at the expense of the person being examined, if such person has failed to correct such accounting after the commissioner has given him notice and a reasonable opportunity to do so.

304.035 EXAMINERS AND EXPENSE OF EXAMINATION: (1) The commissioner shall employ such examiners and other assistants as may be necessary to conduct such examinations.

(2) Each insurer or other person being examined by the commissioner shall pay to the commissioner the reasonable and proper charges and expense involved in the examination upon presentation of a detailed account of such charges and expenses. Upon receipt of such payment the commissioner shall deposit the entire amount thereof in a revolving fund account designated "Examination Expense Revolving Fund." Withdrawals shall be made from such accounts for the purpose of payment to such examiners and assistants of their compensation and necessary expenses incurred in conduct of such examination, in the same manner as applies to payment of compensation to other employees of the department.

(3) If any amount in such revolving fund remains unexpended at the end of any fiscal year, that amount shall not lapse, but shall remain credited to the account, and may be used during the succeeding year.

304.036 EXAMINATION REPORTS: (1) The commissioner shall make a full written report of any examination made by him.

(2) The commissioner shall furnish a copy of the report to the person examined not less than twenty (20) days prior to the filing of the report for public inspection in the department. Upon the written request of such person within the twenty (20) day period, the commissioner shall hold a hearing to consider objections of such person to the report as proposed and shall not so file the report until after such hearing, and until after any modifications in the report deemed necessary by the commissioner have been made. The report, when filed for public inspection, shall be admissible in evidence in any action or proceeding brought by the commissioner against the person examined, or its officers or agents; except, that the commissioner or his examiners may at any time testify and offer other proper evidence as to information secured during the course of an examination, whether or not a written report of the examination has at that time been either made, served, or filed in the department.

(3) The commissioner may withhold from public inspection any examination or investigation report for so long as he deems prudent.

304.037 WITNESSES: (1) The commissioner may take depo-

sitions, subpoena witnesses or documentary evidence, administer oaths, and examine under oath any individual relative to the affairs of any person being examined, or relative to the subject of any hearing or investigation.

(2) The subpoena shall have the same force and effect and shall be served in the same manner as if issued from a circuit court of this state.

(3) Witness fees and mileage, if claimed, shall be allowed the same as for testimony in such circuit court. Witness fees, mileage, and the actual expense necessarily incurred in securing attendance of witnesses and their testimony shall be itemized, and shall be paid by the person as to whom the examination is being made, or by the person if other than the commissioner, at whose request the hearing is held.

304.038 CONTEMPT PROCEEDINGS: If any individual fails to obey the subpoena, or obeys the subpoena but refuses to testify when required concerning any matter under examination or investigation or the subject of the hearing, the commissioner shall file his written report thereof and proof of service of his subpoena, in any court of general jurisdiction in the county where the examination, hearing, or investigation is being conducted. Thereupon the court shall forthwith cause the individual to be brought before it and may punish him as if the failure or refusal related to a subpoena from or testimony in that court.

304.039 TESTIMONY COMPELLED: A person shall not be excused from attending and testifying or producing any evidence upon any examination, hearing, or investigation conducted by or under authority of the commissioner, on the ground that his testimony or the evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. Unless such person in writing expressly waives such privilege or immunity, he shall not be prosecuted or punished in any criminal action or proceeding for or on account of any act, transaction, matter or thing concerning which he is so compelled to produce evidence or to testify under oath, except for perjury committed in such testimony.

304.042 HEARINGS: (1) The commissioner shall hold a hearing if required by any provision of this code. He may hold other hearings as he may deem necessary for such purposes as are within the scope of this code.

(2) The hearing shall be held at the place designated by the commissioner, and at his discretion it may be open to the public.

(3) Application for a hearing made to the commissioner pursuant to any provision of this code shall be in writing, shall specify in what respects the persons so applying was aggrieved and the grounds to be relied upon as the basis for the relief to be demanded at the hearing. The commissioner shall hold such hearing applied for within thirty (30) days after his receipt of the application, unless postponed by mutual consent.

304.044 NOTICE OF HEARING: (1) The commissioner shall, not less than ten (10) days in advance, give notice of the time and place of the hearing, specifying the matters to be considered thereat. If the hearing concerns the suspension or revocation of a license the notice shall also specify the grounds for such suspension or revocation.

(2) If the persons to be given notice are not specified in the provision pursuant to which the hearing is held, the commissioner shall give such notice to all persons directly affected by such hearing.

304.046 PROCEDURE AT HEARING: (1) The commissioner shall allow any person affected by the hearing to appear in person and by counsel, to be present during the giving of all evidence, to have a reasonable opportunity to inspect all documentary evidence, to examine witnesses, and to present evidence in support of his interest. Upon good cause shown, the commissioner may permit any person who has a valid interest in the proceeding to intervene, appear, and be heard at the hearing. Formal rules of pleading or evidence need not be observed in the hearing, except that formal rules of evidence shall be followed at the election of any party who communicates notice of such election to all other parties not less than five days prior to the date of the hearing, and upon concurrence in such election by all such other parties other than the commissioner.

(2) The validity of any hearing held in accordance with the notice thereof shall not be affected by failure of any person to attend or to remain in attendance.

(3) The commissioner may adjourn any hearing from time to time and from place to place without other notice of the adjourned hearing than announcement thereof at the hearing.

(4) Upon written request of a party to a hearing the commissioner may grant a rehearing or reargument on the matters involved in such hearing.

(5) At the expense of and at the written request reasonably made by a person affected by the hearing, the commissioner shall cause a full stenographic record of the proceedings to be made by a competent stenographic reporter, and if transcribed, such record shall be made a part of the commissioner's record of the hearing. A copy of such record shall be furnished any other party upon the written request and at the expense of such party.

304.048 RECORDS, ORDER ON HEARING: (1) The commissioner shall keep a true and concise record of the proceedings at the hearing.

(2) Within thirty (30) days after the hearing the commissioner shall make his order thereon setting forth his action taken, the effective date of such action, a designation of the provisions of this code pursuant to which the action is taken, and summarizing his findings in support thereof. The commissioner shall give a copy of such order to each person to whom notice of the hearing was given or required to be given.

304.050 APPEALS FROM THE COMMISSIONER: (1) Any person aggrieved by any order or action of the commissioner may, within thirty (30) days after such order or action has become final, appeal therefrom to the Franklin circuit court by filing a petition for review in such court and serving a copy thereof upon the commissioner and other parties in interest, if any.

(2) The petition shall state fully the grounds upon which a review is sought, assign all errors relied on and be verified by the petitioner. Summons shall issue, upon the petition, directing the adverse party or parties to file answer within fifteen days after service thereof, and directing the commissioner to certify to the court the complete record of the proceedings, if any, upon which such order or action is based.

(3) For the purpose of this section, "person aggrieved" shall include any person directly or indirectly injured or threatened with injury on account of any such order or action whether or not such person was a party to the proceedings, if any, out of which the order or action arose.

304.052 HEARING THE APPEAL: (1) The appeal shall proceed as a cause of equity, and may be heard upon the transcript of the commissioner's record and on such additional proper evidence as may be offered by any party; except, that as to appeals taken from

the commissioner's order or action pursuant to the provisions of article sixteen of this code relating to supervision of rates and rating, no new or additional evidence may be introduced in the circuit court except as to fraud or misconduct of some person engaged in the administration of such provisions and affecting the order or decision appealed from, but the court shall otherwise hear the appeal upon the record as certified by the commissioner. The appeal shall not be limited to questions of law, and the court shall not be bound by any finding of fact made by the commissioner not supported by substantial evidence, nor by any exercise by the commissioner of any discretionary authority conferred on him by this code which the court deems to have been exercised in a arbitrary and unreasonable manner.

(2) The court shall determine whether the appeal shall operate as a stay of any such order or action.

(3) After hearing the appeal the court may affirm, modify, or reverse the order or action of the commissioner in whole or in part, or remand the action to the commissioner for further proceedings in accordance with the court's direction.

(4) Costs shall be awarded as in civil actions.

(5) Appeal may be taken from the judgment of the circuit court as in other civil cases.

ARTICLE THREE

AUTHORIZATION OF INSURERS AND GENERAL REQUIREMENTS

304.060 "DOMESTIC," "FOREIGN," "ALIEN" DEFINED: (1) A "domestic" insurer is one formed under the laws of this state.

(2) A "foreign" insurer is one formed under the laws of any state, as herein defined, other than this state.

(3) An "alien" insurer is one formed under the laws of a Country other than the United States.

304.061 "STATE," "UNITED STATES" DEFINED: (1) "State" defined. For the purpose of this code, "state" means any state of the United States, the territories of Alaska and Hawaii, the Government of Puerto Rico and the District of Columbia.

(2) For the purposes of this code, "United States," when used to signify place, means only the states of the United States of America, the Territories of Alaska and Hawaii, the Government of Puerto Rico, and the District of Columbia.

304.063 **AUTHORITY REQUIRED:** No person shall act as an insurer and no insurer shall transact insurance in this state except as authorized by a subsisting authority granted to it by the commissioner; except, as to such transactions as are expressly provided for in this code.

304.065 **QUALIFICATION FOR AUTHORITY:** To qualify for and hold such authority an insurer must:

(1) Be a stock, mutual, reciprocal or Lloyd's insurer of the same general type as may be formed as a domestic insurer under the provisions of this code, except that an insurer organized under special charter provisions shall indicate on its policy the manner of operating in this state, and except further that no foreign or alien insurer formed or transacting insurance upon the assessment or cooperative plans shall be authorized to transact direct insurance in this state; and

(2) have assets in amount not less than the sum of its liabilities (exclusive of capital stock) plus the capital stock, or capital stock and surplus, or surplus as required by this code, based upon the type and domicile of the insurer and the kinds of insurance proposed to be transacted; and

(3) transact or propose to transact in this state insurances which are among those authorized by its charter, and only such insurance as meets the standards and requirements of this code; and

(4) fully comply with, and qualify according to, the other provisions of this code.

304.067 **"CHARTER," "CAPITAL FUNDS" DEFINED:**

(1) "Charter" means articles of incorporation, of agreement, of association or other basic constituent document of a corporation or subscribers' agreement and attorney-in-fact agreement of a reciprocal insurer, or underwriters' agreement and power of attorney of a Lloyd's plan insurer.

(2) "Capital funds" means the excess of the assets of an insurer over its liabilities. Capital stock, if any, shall not be deemed to be a liability for the purposes of this section.

304.069 **KINDS OF INSURANCE AUTHORIZED:** An insurer which otherwise qualifies therefor may be authorized to transact any one or more kinds of insurance as defined in article nine of this code; except that a life insurer shall transact in addition only disability insurance, but any life insurer which immediately prior to

the effective date of this code held a certificate of authority to transact in this state certain kinds of insurance in addition to life and disability insurance, may continue to be so authorized by the commissioner. A title insurer shall be a stock insurer and shall transact no additional kind of insurance, and a reciprocal or Lloyd's insurer shall not transact life insurance.

304.071 FUNDS REQUIRED: To qualify for authority to transact any one kind of insurance an insurer shall possess and maintain paid-up capital stock or surplus in amount not less than as shown by the applicable portion of the following schedule "A:"

Schedule "A"

KIND OF INSURANCE	Domestic, foreign, alien stock insurers, capital stock required.	Foreign & alien mutuals, reciprocals, & all Lloyd's insurers, as applicable, surplus required	Domestic mutual and reciprocal insurers, surplus required, except as provided in article five as to mutuals.
CASUALTY	\$200,000	\$200,000	\$200,000
DISABILITY	\$100,000	\$100,000	\$100,000
LIFE	\$100,000	\$100,000	\$100,000
LIFE & DISABILITY	\$125,000	\$125,000	\$125,000
PROPERTY	\$100,000	\$100,000	\$100,000
SURETY	\$200,000	\$200,000	\$200,000
VEHICLE	\$100,000	\$100,000	\$100,000
WORKMEN'S COMP.	\$200,000	\$200,000	\$200,000
CREDIT	\$100,000	\$100,000	\$100,000
TITLE	—	As provided in article twenty-seven of this code.	

304.073 ADDITIONAL KINDS OF INSURANCE, FUNDS REQUIRED: (1) An insurer otherwise qualified therefor may be authorized to transact combinations of kinds of insurance while possessing and maintaining additional paid-up capital stock (if a stock insurer) or additional surplus funds (if a mutual, reciprocal, or Lloyd's plan insurer) subject to subsection (2) of this section as to domestic mutual insurers, not less in amount than as determined under the following schedule "B":

SCHEDULE "B"

If authorized to transact:

(basic stock insurer capital shown in parentheses)
Casualty (\$200,000)

Disability (\$100,000)

Property (\$100,000)

Surety (\$200,000)

Vehicle (\$100,000)

Workmen's Compensation (\$200,000)

Credit (\$100,000)

Additional amount required for authority to transact additional kinds of insurance:

Casualty	Disability	Property	Surety	Vehicle	Workmen's Compensation	Credit
.....	No additional funds required	\$100,000	\$150,000	No additional funds required	No additional funds required	No additional funds required
\$100,000		\$100,000	\$150,000	Qualify for Casualty	Qualify for Casualty	Qualify for Casualty
\$200,000	\$100,000		\$200,000	No additional funds required	Qualify for Casualty	Qualify for Casualty
\$150,000	\$ 50,000	\$100,000		\$100,000	\$150,000	No additional funds required
\$100,000 see footnote*	Qualify for Casualty	No additional funds required see footnote*	\$200,000		Qualify for Casualty	Qualify for Casualty
No additional funds required	No additional funds required	\$100,000	\$150,000	No additional funds required		No additional funds required
\$100,000	Qualify for Casualty	Qualify through Casualty	Qualify through Casualty	Qualify for Casualty	Qualify for Casualty	

* If a vehicle insurer is authorized also to transact property insurance, it may qualify for casualty insurance only by having \$200,000 of capital (if stock insurer) or surplus (if mutual, reciprocal or Lloyd's insurer) in addition to the \$100,000 basic capital or surplus requirement.

An insurer while possessing \$450,000 of capital (if a stock insurer) or of surplus (if a mutual, reciprocal, or Lloyd's insurer) may be authorized to transact all kinds of insurance other than life and title insurances, subject to KRS 304.075 as to additional surplus required of new insurers.

(2) To qualify for authority to transact a combination of kinds of insurance, a domestic mutual or reciprocal insurer shall possess and maintain surplus funds in amount equal to the paid-up capital stock required of stock insurers for authority to transact a like combination of kinds of insurance.

304.075 NEW INSURERS, ADDITIONAL SURPLUS: In addition to the paid-up capital stock or surplus as required under KRS 304.071 and 304.073, newly formed domestic stock, reciprocal or Lloyd's insurers, newly formed domestic mutual insurers which qualify upon the basis of a deposit in lieu of applications and premiums collected as provided in article five, and foreign and alien insurers which have been insurers for less than five years, shall possess when first authorized bona fide surplus funds equaling in amount not less than fifty per cent (50%) of the capital stock or surplus otherwise required for the kind or kinds of insurance proposed to be transacted.

304.077 DEPOSIT REQUIREMENT ALIEN INSURERS: (1) No alien insurer shall be authorized to transact insurance in this state unless it deposits and maintains on deposit assets of a value not less in amount than the paid-up capital stock (if a stock insurer) or surplus (if a mutual, reciprocal, or Lloyd's plan insurer) as required to to be maintained for the kind or kinds of insurance to be transacted; except that such deposit shall in no event be less than \$200,000.

(2) The deposit shall be for the benefit of all the insurer's policyholders or all its policyholders and creditors in the United States.

(3) The deposit shall be made with the Custodian of Insurance Securities of this state. The commissioner shall in lieu of a deposit, or any part thereof, in this state, accept the certificate of the public official having supervision over insurance in another state showing that deposits by such insurer, or like part thereof, are being maintained by the insurer in such states for the benefit of all of the insurer's policyholders in the United States or all its policyholders and creditors in the United States, if the total deposit in this state and those evidenced by such certificate or certificates is in amount not less than the amount required pursuant to subsection (1) of this section.

(4) Assets so deposited shall be of a kind, shall be valued, and the deposit shall be made and administered as provided in article thirteen of this code.

304.078 EXISTING INSURERS, FUNDS REQUIRED: Any insurer existing and authorized in this state as of January 1, 1950, may continue to be authorized to transact the same kind or kinds of insurance which it was then authorized to transact so long as it possesses fully paid-up capital stock (if a stock insurer) or surplus (if a mutual, reciprocal or Lloyd's insurer) and has on deposit the assets, all in amount and as was required of it, if any, for such authority under the laws of this state in force as of such date. But no such insurer shall be authorized to transact any other or additional kind or combination of kinds of insurance unless it fully qualifies for authority therefor upon the basis of funds and deposits otherwise required under this code of a domestic insurer of the same type.

304.080 APPLICATION FOR AUTHORITY: To apply for an original certificate of authority an insurer shall file or deposit with the commissioner:

(1) Its request therefor showing:

(a) Its name, location of home office and, if an alien insurer, location of its principal office in the United States, type of insurer, organization date, and state or country of its domicile, and if a reciprocal, the name also of its attorney-in-fact.

(b) The kinds of insurance it proposes to transact.

(c) Additional information as the commissioner may reasonably require.

(2) A copy of its charter as amended, certified, if a foreign or alien insurer, by the proper public officer of the state or country of domicile.

(3) A copy of its bylaws, if a corporation, certified by its proper officer.

(4) A copy of its annual statement as of December thirty-first last preceding.

(5) Certificate of the proper public official as to any deposit made or held as compliance with the provisions of this article.

(6) Copy of report of the last examination made of the insurer, certified by insurance supervisory official of its state of domicile or of entry into the United States.

(7) If a foreign or alien insurer, a resolution of its board of directors, or if a domestic reciprocal insurer, an instrument executed by its attorney for the subscribers, constituting the commissioner as its attorney-in-fact to receive service of process in actions brought or pending against it in this state.

(8) If a foreign or alien insurer, certificate of compliance from the public official having supervision over insurance in the state of its domicile or entry into the United States.

(9) If an alien insurer, a certified copy of the appointment and authority of its United States manager.

(10) Fees required by this code to be paid for filing such documents, and for the certificate of authority, if granted.

304.082 ISSUANCE OF AUTHORITY: If the commissioner finds that an insurer has met the requirements for and is entitled thereto under this code, he shall issue to it a proper certificate of authority. If the commissioner does not so find, he shall refuse the authority within a reasonable period following completion by the insurer of the application therefor.

304.083 EXPIRATION, RENEWAL, AMENDMENT: (1) All certificates of authority shall expire at midnight June thirtieth next succeeding date of issue or renewal. If the insurer qualifies therefor its certificate may be renewed annually for a period of not more than one year.

(2) The commissioner may amend a certificate of authority at any time to accord with changes in the insurer's charter or insuring powers.

304.085 REVOCATION OF AUTHORITY — MANDATORY GROUNDS: The commissioner shall refuse to renew or shall revoke or suspend an insurer's authority to transact insurance, in addition to other grounds therefor in this code, if the insurer:

(1) Is a foreign or alien insurer and no longer qualifies or meets the requirements for the authority; or, if a domestic mutual or domestic reciprocal or domestic Lloyd's insurer and fails to make good a deficiency of assets as required by the commissioner.

(2) Is a domestic stock insurer and has assets less in amount than its liabilities, including its capital stock as a liability, and has failed to make good such deficiency as required by the commissioner.

(3) Has knowingly exceeded its charter powers or its certificate of authority.

304.087 REVOCATION OF AUTHORITY — DISCRETIONARY GROUNDS: The commissioner may after a hearing refuse, suspend, or revoke an insurer's authority to transact insurance, in addition to other grounds therefor in this code, if the insurer:

(1) Fails to comply with or violates any provision of this code other than those for non-compliance with or violation of which refusal, suspension, or revocation is mandatory.

(2) Fails to comply with any proper order of the commissioner within the time properly allowed in such order.

(3) Is found by the commissioner upon examination, or other evidence to be in unsound condition or in such condition as to render its further proceedings hazardous to the public or to its policyholders.

(4) Usually compels claimants under policies either to accept less than the amount due them or to bring suit against it to secure full payment thereof.

(5) Is affiliated with and under the same general management, or interlocking directorate, or ownership as another insurer which transacts direct insurance in this state without having a certificate of authority therefor, except as permitted under article fifteen of this code.

(6) Refuses to be examined, or if its directors, officers, employees or representatives refuse to submit to examination or give testimony concerning its affairs or to produce its accounts, records, and files for examination by the commissioner when required, or refuse to perform any legal obligation relative to the examination.

(7) Fails to pay or satisfy any final judgment rendered against it in this state upon any policy, bond, recognizance, or undertaking issued or guaranteed by it, within sixty (60) days after the judgment became final or within sixty (60) days after time for taking an appeal has expired, or within sixty (60) days after dismissal of an appeal before final determination, whichever date is the later.

304.089 PROCEDURE UPON REVOCATION, SUSPENSION OF AUTHORITY: Upon revoking or suspending an insurer's authority to transact insurance the commissioner shall forthwith:

(1) Give notice thereof to the insurer not less than ten (10) days in advance of the effective date of such revocation or suspension.

(2) Likewise revoke or suspend the licenses of all agents licensed to represent the insurer in this state and give notice thereof to such agents.

(3) Give notice thereof to the insurance supervisory official of each other state in which the insurer is authorized to transact insurance.

304.091 SUSPENSION PERIOD: Except as otherwise in this code expressly provided, the commissioner may suspend an insurer's authority for not to exceed twelve months. The commissioner shall state in his order of suspension the period during which it will be effective.

304.093 INSURER'S NAME: (1) Every insurer shall conduct its business in its own proper and corporate name.

(2) No insurer shall assume or use a name deceptively similar to that of any other authorized insurer, nor which tends to deceive or mislead as to the type of organization of the insurer.

304.094 COMMISSIONER ATTORNEY FOR SERVICE OF PROCESS: (1) Each authorized foreign or alien insurer and each domestic reciprocal or Lloyd's insurer shall appoint the commissioner as its attorney to receive service of all legal process issued against it in this state upon causes of action arising within this state. Service of legal process against such foreign or alien insurer can be had only by service upon the commissioner.

(2) With the appointment the insurer shall designate by name and address the person to whom the commissioner shall forward legal process so served upon him. The insurer may change such person by filing a new designation.

(3) The appointment of the commissioner as attorney shall be irrevocable, shall bind any successor in interest or to the assets or liabilities of the insurer, and shall remain in effect as long as there is in force in this state any contract made by the insurer or liabilities or duties arising therefrom.

304.095 HOW SERVICE MADE: (1) Duplicate copies of legal process against an insurer for whom the commissioner is attorney

shall be served upon him by a person competent to serve a summons. In the absence of the commissioner the process may be served upon the commissioner's deputy or other individual then in charge of the Department of Insurance.

(2) The commissioner shall forthwith send one of the copies of the process, by prepaid registered mail, to the person designated for the purpose by the insurer in its most recent such designation filed with the commissioner, or to the insurer at its last known principal office if no such designation is on file, and return the other copy to the plaintiff with his acknowledgment of service.

(3) The commissioner shall keep a record of the day and hour of service upon him of all such legal process.

304.097 BUSINESS MUST BE PLACED THROUGH LOCAL AGENTS: (1) Except as to insurance lawfully written by a non-resident agent duly licensed under article fourteen of this code, no insurer shall write or place, or cause to be written or placed, any policy or contract for direct insurance upon any property or subject of insurance in this state except through a duly licensed resident agent, who shall countersign the policy, unless such insurer or subject of insurance is exempted under KRS 304.103. For the purposes of this article a state or special agent or other such salaried service representative of the insurer shall not be deemed to be such resident agent, but such a service representative or other salaried employee of the insurer, upon written authority of a licensed agent of the insurer, may countersign for and on behalf of the agent, such riders and endorsements to policies as do not involve premium payments, if a copy of every such rider or endorsement so countersigned is forthwith delivered to the agent.

(2) In addition to any other penalty applicable thereto, the commissioner shall suspend, for a period not exceeding ninety (90) days, the license or authority of any person who violates this section. Upon a second violation the commissioner shall suspend the license or authority of such person for a period of twelve months.

304.099 COUNTERSIGNATURE REQUIREMENT — NON-RESIDENT AGENT'S BUSINESS: Except as provided in KRS 304.103, all policies covering subjects of insurance located or to be performed in this state which are placed by or through a licensed non-resident agent shall be countersigned by a duly licensed resident agent of the insurer.

304.101 COUNTERSIGNATURE REQUIREMENT — HIGHWAY POLICIES: (1) No policy or bond required to be filed with and approved by the Commissioner of Highways, and no policy or bond incident or pertaining to an operation under a contract awarded by the Commissioner of Highways, shall be issued or delivered in this state unless the policy or bond is countersigned by a duly licensed resident local agent of the insurer. When the premium is paid for any such policy or bond the full agent's commission payable on account thereof shall be paid to such countersigning agent. It shall be unlawful for such agent to divide any such commission with any person other than a duly licensed resident local agent.

(2) In addition to any other penalty applicable thereto, the commissioner shall revoke the license or authority of any person convicted of violation of this section, and shall not restore any such license or authority for a period of two years.

304.103 EXCEPTIONS—AGENT & COUNTERSIGNATURE REQUIREMENTS: The provisions of KRS 304.097, 304.099 and 304.101 shall not apply to title insurers, to reinsurance contracts between insurers, to life or disability insurances, or to insurance policies:

(1) Lawfully issued as a surplus line under article fifteen of this code.

(2) Covering only the rolling stock, vessels, or aircraft of any common carrier in interstate or foreign commerce, or any vehicle principally garaged and used in another state.

(3) Covering only any property in course of transportation interstate or in foreign trade, or any liability or risk incident thereto.

(4) Covering only ocean marine risks and other risks exempted under this section.

(5) Of mutual or reciprocal insurers except policies written through independent agents compensated on a commission basis.

(6) Issued by domestic insurers which do not customarily permit their agents to countersign policies, if such policies are countersigned by an executive officer or other employee of the insurer whose compensation is entirely by salary.

304.105 ANNUAL STATEMENT: (1) Each authorized insurer shall annually, before the first day of March, file with the

commissioner a true statement of its financial condition, transactions, and affairs as of the thirty-first day of December preceding. The statement shall be on forms and shall contain information as required by this code and by the commissioner, and shall be verified by the oaths of at least two (2) of the insurer's principal officers. The annual statement of a reciprocal insurer shall be made and verified by its attorney-in-fact.

(2) The commissioner shall annually during November furnish each such insurer upon request of such insurer, duplicate copies of annual statement forms as next required to be filed. The statement forms shall be in general form and context as approved by the National Association of Insurance Commissioners for the kinds of insurance to be reported upon, and as supplemented for additional information required by the commissioner.

(3) The annual statement of an alien insurer shall relate only to its assets, transactions, and affairs in the United States unless the commissioner requires otherwise. The statement shall be verified by the insurer's United States manager or by its officers duly authorized.

(4) The commissioner may suspend or revoke the authority of any insurer failing to file its annual statement when due or failing so to file during any extension of time therefor which the commissioner, for good cause, may grant.

304.110 RETALIATORY PROVISION: (1) When by the laws of any other state, any taxes and fees in the aggregate, fines, penalties, deposits of money or securities or other obligations, prohibitions or requirements are imposed upon insurers organized under any law of this state and transacting business in such other state, or upon the agents of such insurer, greater in aggregate amount than those imposed upon similar insurers by the laws of this state, or when the laws of any other state require insurers of this state to deposit money or security for the benefit or protection of citizens of such other state, or when the laws or officers of any other state prohibit insurers of this state from transacting business therein without a special examination of the insurers or a computation of their liabilities by the officers of that state, the same taxes and fees in the aggregate, fines, penalties, deposits, examinations, obligations and requirements may be imposed by the commissioner upon all insurers

doing business in this state that are incorporated or organized under the laws of such other state, and upon their agents.

(2) For the purpose of this section an alien insurer may be deemed to be domiciled in a state designated by it wherein it has (a) established its principal office or agency in the United States, or (b) maintains the largest amount of its assets. If no such office or agency has been established, its domicile shall be the country under laws of which it is formed.

ARTICLE FOUR DOMESTIC STOCK INSURERS

304.120 SCOPE OF ARTICLE: The provisions of this article shall apply only to domestic stock insurers.

304.121 INCORPORATION: (1) Five or more natural persons over twenty-one years of age may incorporate a stock insurer.

(2) In addition to the applicable requirements of laws governing the incorporation of business corporations generally:

(a) The articles of incorporation shall specify the kind or kinds of insurance proposed to be transacted.

(b) The name of the corporation shall contain the words "insurance company".

(c) Each share of capital stock shall have a par value of not less than ten dollars (\$10).

(d) The incorporators shall deposit the articles of incorporation, in quadruplicate originals, with the commissioner, and such articles shall not be filed with the Secretary of State until approved by the commissioner as provided in KRS 304.123 and the commissioner's approval has been stamped upon or otherwise attached to the articles.

304.123 PROCEDURES PRELIMINARY TO QUALIFICATION: (1) Upon receipt of the articles of incorporation of the proposed insurer, the commissioner shall submit such articles to the Attorney General for examination. Within ten (10) days after receipt thereof the Attorney General shall return the articles to the commissioner with a written statement as to whether the articles comply with law.

(2) If the Attorney General has found the articles to be in compliance with law and has so stated to the commissioner, the commis-

sioner shall stamp or otherwise certify his approval thereon, retain one copy of the articles for his files and deliver the remaining three copies of the articles to the incorporators for filing as provided by laws governing business corporations generally.

(3) Upon compliance with the provisions of chapter 292, Kentucky Revised Statutes, governing sale of securities, the incorporators may open books to receive subscriptions for capital stock of the corporation and keep such books open until the amount of capital stock provided for by the articles has been subscribed. The incorporators shall concurrently file with the commissioner duplicates of filings made on behalf of the corporation with the Director of the Division of Securities pursuant to chapter 292, Kentucky Revised Statutes.

(4) After all stock authorized by the articles has been subscribed and paid for in full either in cash or in assets of the kind eligible for the investment of the capital stock of a domestic life insurer under this code, the incorporators shall make application for a certificate of authority as provided in article three of this code.

(5) In addition to the requirements of this article, the incorporators shall also comply with such other applicable laws governing the organization of domestic business corporations as are not in conflict with the provisions of this article.

304.125 QUALIFICATION OF NEWLY ORGANIZED STOCK INSURER: (1) Upon receiving the application provided for in subsection (4) of KRS 304.123, the commissioner shall make an examination of the affairs of the proposed corporation to ascertain whether it has complied with requirements of law and has fully paid-in capital stock and assets in amount necessary to qualify for authority to transact the kind or kinds of insurance proposed to be transacted. As a part of such examination the commissioner shall require the incorporators or directors to certify, under oath, that assets exhibited to him are the bona fide property of the proposed corporation.

(2) If, after such examination the commissioner finds that the proposed corporation is fully entitled thereto, he shall issue to it his certificate of authority to transact the kind or kinds of insurance for which it has qualified.

304.127 PLACE OF BUSINESS: The insurer shall establish and maintain in this state its principal office and place of business. The insurer's principal records shall be kept at its principal office.

304.128 ANNUAL MEETING: The insurer shall, prior to the first day of April, hold the annual meeting of its shareholders for the purpose of receiving reports of its affairs and to elect directors. Except, that as to insurers organized prior to the effective date of this code, the annual meeting shall be held at such time as is provided by its charter, or articles of incorporation, or bylaws.

304.129 QUALIFICATIONS OF DIRECTORS: (1) Not less than three-fourths of an insurer's directors shall be United States citizens and a majority of the directors shall be residents of this state throughout their term of office.

(2) Unless required by the insurer's charter, articles of incorporation or bylaws, a director is not required to be a shareholder of the insurer.

304.132 INCREASE OR DECREASE OF CAPITAL STOCK: The insurer may increase or decrease its capital stock in the manner provided for corporations generally, subject to KRS 304.140 relative to decrease of capital stock to cure impairment, but no such change shall be effective until:

(1) The commissioner has examined the insurer's affairs and has found that the rights of persons doing business with the insurer will not be prejudiced by any such decrease.

(2) The full amount of increase has been either (a) subscribed and paid in in cash or assets as required for the original capitalization, or (b) as represented by a capitalization of available surplus.

304.134 DIVIDENDS TO STOCKHOLDERS: (1) An insurer shall not pay any dividend to stockholders except out of that part of its surplus funds which is derived from any realized net profits. No cash dividend shall be paid nor distribution of assets made out of any surplus funds resulting from a decrease of capital stock effective within two (2) years prior to the declaration of the dividend.

(2) For the purposes of this article "surplus funds" means the excess of the insurer's assets over its liabilities, including its capital stock as a liability.

(3) The commissioner may revoke the certificate of authority of any insurer violating this section.

304.136 PARTICIPATING POLICIES: (1) An insurer may, unless otherwise provided by its charter or articles of incorporation,

issue policies entitled to participate from time to time in the earnings of the insurer through dividends.

(2) Any classification of its participating policies and of risks assumed thereunder which the insurer may make shall be reasonable. No dividend shall be paid which is inequitable or which unfairly discriminates as between such classifications or as between policies within the same classification.

(3) No such insurer shall issue in this state both participating and non-participating policies for the same class of risks unless the form of contract and the rate or rates charged therefor shall be in effect under any applicable rating law or laws of this state; except that both participating and non-participating life insurance policies may be issued if the right or absence of right to participate is reasonably related to the premium charged. This subsection shall not apply to group insurance.

(4) Dividends to participating life insurance policies shall be paid by such an insurer only out of its surplus funds. Dividends to participating policies for other kinds of insurance shall be paid only out of that part of such surplus funds which is derived from any realized net profits from the insurer's business.

(5) No dividend, otherwise earned, shall be made contingent upon payment of renewal premium on any policy.

304.138 IMPAIRMENT OF CAPITAL: (1) If the assets of an insurer at any time are less than its liabilities, including its capital stock as a liability, the insurer's capital stock shall be deemed to be impaired, and the commissioner shall forthwith determine the amount of such deficiency and give notice to the insurer to make good the deficiency within ninety (90) days after the giving of such notice.

(2) The insurer may cure the deficiency by assessment of stockholders by action of its board of directors, or by other lawful means. The deficiency shall be made good in cash or in assets eligible under this code for investment of the insurer's funds, or by decrease of the insurer's capital stock to an amount not below the minimum required for the kinds of insurance to be thereafter transacted.

(3) If the deficiency is not made good and proof thereof filed with the commissioner within such ninety-day period, the commissioner shall revoke the insurer's certificate of authority, the insurer shall be deemed insolvent, and shall be proceeded against as authorized by this code.

304.139 ASSESSMENT OF SHARES: Shares as to which such an assessment, made pursuant to KRS 304.138, is not paid within sixty (60) days after demand, shall be forfeitable and may be cancelled by vote of the directors, and new shares issued to make up the deficiency.

304.140 DECREASE OF CAPITAL STOCK ON IMPAIRMENT: (1) Within ten (10) days after the meeting of the insurer at which a decrease of capital stock made pursuant to KRS 304.138 was authorized, the insurer shall submit to the commissioner a certificate, signed and sworn to by its president and secretary, setting forth the proceedings of the meeting, the amount of the proposed decrease, and the insurer's resultant statement of assets and liabilities. If, after examination, the commissioner finds that the procedure for the proposed decrease conforms to law and that such decrease may be made without prejudice to the insurer's policyholders or to the public, he shall authorize the insurer to effectuate such decrease of capital stock. After the decrease has been so effectuated the commissioner shall authorize the insurer to transact the kinds of insurance for which it is then qualified.

(2) The insurer may, after such decrease, require the return of the stock certificates then held by each stockholder, in exchange for new certificates.

304.142 DOUBLE LIABILITY OF STOCKHOLDERS: (1) Stockholders of domestic stock insurance, other than title insurers, shall be liable equally and ratably, and not one for the other, for all contracts and liabilities of the insurer to the extent of the amount of their stock at par value, in addition to the amount paid for such stock.

(2) Persons holding such stock as fiduciaries shall not be personally liable thereon, but the estates in their hands shall be liable therefor.

(3) No transfer of stock shall release any such liability existing at the time of the transfer if the action to enforce such liability is commenced within two (2) years from the time of transfer.

304.144 MUTUALIZATION OF STOCK INSURERS: (1) Any domestic stock insurer may become a domestic mutual insurer pursuant to such plan and procedure as are approved by the commissioner in advance of such mutualization.

(2) The commissioner shall not approve any such plan, procedure, or mutualization unless:

(a) It is equitable to both shareholders and policyholders.

(b) It is approved by vote of the holders of not less than three-fourths of the insurer's capital stock having voting rights, and by vote of not less than two-thirds of the insurer's policyholders who vote on such plan, pursuant to such notice and procedure as may be approved by the commissioner. Such vote may be registered in person, by proxy, or by mail.

(c) If a life insurer, the right to vote thereon is limited to those policyholders whose policies have face amounts of not less than five hundred dollars (\$500) and have been in force one (1) year or more.

(d) Mutualization will result in retirement of shares of the insurer's capital stock at a price not in excess of the fair value thereof as determined by competent disinterested appraisers.

(e) The plan provides for appraisal and purchase of the shares of any non-consenting stockholder in accordance with the laws of this state relating to the sale or exchange of all the assets of a private corporation.

(f) The plan provides for definite conditions to be fulfilled by a designated early date upon which such mutualization will be deemed effective.

(g) The mutualization leaves the insurer with surplus funds reasonably adequate to preserve the security of its policyholders and its ability to continue successfully in business in the states in which it is then authorized, and in the kinds of insurance it is then authorized to transact.

ARTICLE FIVE

DOMESTIC MUTUAL INSURERS

304.150 SCOPE OF ARTICLE: The provisions of this article shall apply only to domestic mutual insurers transacting insurance on the cash premium plan; except that subsection (2) of KRS 304.171 shall apply to all mutual insurers, whether domestic, foreign, or alien.

304.151 "CASH PREMIUM" MUTUAL DEFINED: For the purposes of this code a cash premium mutual is defined as a mutual insurer which charges and collects in advance, cash premiums in amount adequate to maintain full legal reserves and fully to meet and discharge all its obligations and liabilities under its policies without assessments or calls upon its members for additional

premium, except as provided in this article relative to the contingent liability of such members.

304.154 INCORPORATION: (1) Twenty or more natural persons, a majority of whom are bona fide residents of this state, may incorporate a mutual insurer.

(2) In addition to the requirements of law governing the incorporation of business corporations, the articles of association shall state:

(a) The name of the insurer, which name shall contain the words "mutual" and "insurance," and shall end with the word "company," "corporation," or "incorporated" the kind or kinds of insurance proposed to be transacted; the location of its principal or home office.

(b) The names and addresses of those composing its board of directors, in which management shall be vested until the first meeting of members.

(c) The names and residence addresses of the incorporators.

(d) The maximum contingent liability of its policyholders for the payment of its expenses and losses occurring upon its policies.

(3) The proposed articles of association shall be deposited with the commissioner, who shall submit them to the Attorney General for the same purpose and with the same procedure as provided in KRS 304.123 relative to stock insurers. If found to be in compliance with the law, the commissioner shall approve them and a copy of the articles shall be filed with him. Upon such approval and the filing of the articles as provided by laws relating to business corporations generally, the insurer shall become a body corporate.

304.155 PROCEDURE PRELIMINARY TO QUALIFICATION: (1) After incorporation, the proposed mutual insurer shall apply to the commissioner for authority to solicit qualifying applications for insurance and to procure any funds necessary as qualification for a certificate of authority. With the application the proposed insurer shall file with the commissioner copies of any proposed form of insurance applications, any proposed form or policy to be offered and schedule of premium rates therefor, copies of all advertising and sales literature proposed to be used in such solicitation, and such other information relative to the solicitation of such insurance or procuring of such funds as the commissioner may reasonably require.

(2) Unless the commissioner finds that any such proposal does not comply with the law or that any person to be associated with the proposed insurer is an untrustworthy person, he shall issue written permit authorizing the solicitation of such applications or the procuring of such funds. In connection with any such permit the commissioner may make such reasonable requirements relative to time limit, to deposit in escrow of funds received, or as to other matters as he deems proper for the protection of the public.

(3) No sales commission, or expense, or disbursement of any kind shall be payable out of or made from any funds received as premiums upon qualifying applications or pursuant thereto, until after the proposed insurer has received its certificate of authority pursuant to article three of this code. In event the proposed insurer does not qualify for such a certificate of authority within such reasonable period as the commissioner may have designated in the permit, the funds shall be returned, without diminution, to the persons lawfully entitled thereto and the proposed insurer shall be dissolved.

304.157 INITIAL QUALIFICATION, MUTUAL INSURERS:

(1) The commissioner shall not issue a certificate of authority to a newly formed mutual insurer unless it has fully qualified therefor under this code, nor unless it has met the minimum requirements for the kind of insurance it proposes to transact as provided in this code.

(2) All applications for insurance submitted by such an insurer as fulfilling qualification requirements shall be bona fide applications from persons resident in this state or covering lives, property, or risks resident or located in this state.

(3) All qualifying premiums collected on behalf of such an insurer shall be in cash. All qualifying initial surplus funds of such an insurer shall be in cash or in securities eligible for the investment of the capital of a domestic stock insurer transacting the same kind of insurance.

304.159 MUTUAL DISABILITY INSURER: When applying for an original certificate of authority a mutual insurer proposing to transact disability insurance must:

(1) Have at least five hundred (500) applications from at least five hundred (500) persons for individual disability insurance providing not less than five hundred dollars (\$500) nor more

than one thousand dollars (\$1000) of accidental death benefit, and not less than fifteen dollars (\$15) nor more than thirty dollars (\$30) of weekly disability indemnity for each applicant, or in lieu of such death benefit or weekly indemnity, a reasonable amount of indemnity as approved by the commissioner for medical, surgical, or hospital services; and

(2) have collected from each applicant an adequate premium for one quarter of a year or more; and

(3) have a surplus over all liabilities, as at completion of issuance of the policies so applied for, amounting to at least fifty thousand dollars (\$50,000).

In lieu of such applications, premiums, and surplus, it may have and maintain funds representing a surplus of one hundred thousand dollars (\$100,000) over all liabilities.

304.160 MUTUAL LIFE INSURER: When applying for an original certificate of authority a mutual insurer proposing to transact life insurance must:

(1) Have at least five hundred (500) applications for life insurance, other than on a term plan for term of ten (10) years or less, covering at least five hundred (500) separate insurable lives on an individual basis for not less than five hundred dollars (\$500) nor more than one thousand dollars (\$1000) of insurance each; and

(2) have collected from each applicant the proper annual premium for one (1) year, and have so received from all applicants premiums aggregating at least seven thousand five hundred dollars (\$7500); and

(3) have a surplus over all liabilities, as at completion of issuance of the policies so applied for, amounting to at least fifty thousand dollars (\$50,000).

In lieu of such applications, premiums, and surplus, it may have and maintain funds representing a surplus of one hundred thousand dollars (\$100,000) over all liabilities.

304.162 MUTUAL PROPERTY INSURER: (1) When applying for an original certificate of authority a mutual insurer proposing to transact property insurance generally must:

(a) Have applications from at least twenty (20) persons for insurance covering at least two hundred (200) separate real or personal properties (if applications are for insurance against fire no two of such properties shall be reasonably subject to loss from any one fire, as customarily considered by underwriters), for insur-

ance aggregating not less than five hundred thousand dollars (\$500,000); and

(b) have collected from each applicant the proper premium at a rate not less than a rate promulgated by a licensed rating organization (less any approved deviation) for a term of at least one year; and

(c) have a surplus over all liabilities, as at completion of issuance of the insurance contracts so applied for, amounting to at least fifty thousand dollars (\$50,000).

(2) The maximum of any single such risk proposed to be assumed by the insurer shall not exceed ten per cent (10%) of its surplus. Any reinsurance taking effect simultaneously with the policy shall be deducted in determining the amount at risk for the purposes of this provision.

(3) In lieu of such applications, premiums, and surplus, the insurer may have and maintain funds representing a surplus of one hundred thousand dollars (\$100,000) over all liabilities.

304.165 MUTUAL VEHICLE INSURER: When applying for an original certificate of authority a mutual insurer proposing to transact vehicle insurance must:

(1) Have applications from at least two hundred (200) persons for insurance covering at least five hundred (500) separate vehicles for a maximum of retained liability not in excess of ten thousand dollars (\$10,000) as to any one accident or other liability; and

(2) have collected from each applicant the proper premium for insurance for not less than six months according to its schedule of premium rates approved by the commissioner; and

(3) have a surplus over all liabilities as at completion of issuance of the policies so applied for, amounting to not less than seventy-five thousand dollars (\$75,000).

In lieu of such applications, premiums, and surplus, it may have and maintain funds representing a surplus of one hundred thousand dollars (\$100,000) over all liabilities.

304.167 MUTUAL WORKMEN'S COMPENSATION INSURER: When applying for an original certificate of authority a mutual insurer proposing to transact workmen's compensation insurance must:

(1) Have applications for such insurance from at least fifty (50) separate employers having an aggregate of at least one thous-

and (1000) employees for adequate coverage at adequate premium rates as approved by the commissioner; and

(2) have a surplus over all liabilities as at completion of issuance of the insurance so applied for, amounting to not less than one hundred thousand dollars (\$100,000).

In lieu of such applications and surplus, it may have and maintain funds representing a surplus of two hundred thousand dollars (\$200,000) over all liabilities.

304.168 OTHER KINDS OF CASUALTY INSURANCE: (1) When applying for an original certificate of authority a mutual insurer proposing to transact any one of the subdivisions of casualty insurance as defined in KRS 304.348, other than a subdivision of casualty insurance for organization to transact which provision is made in this article, must in good faith:

(a) Have applications for such insurance in a reasonable amount from at least fifty (50) persons covering not less than two hundred (200) separate insurable risks; and

(b) have collected from each applicant the proper premium for a term of not less than one year at a rate filed with and approved by the commissioner; and

(c) have a surplus over all liabilities, as at completion of issuance of the insurance contracts so applied for, amounting to at least fifty thousand dollars (\$50,000).

(2) In lieu of such applications, premiums, and surplus, it may have and maintain funds representing a surplus of one hundred thousand dollars (\$100,000) over all liabilities.

(3) No such insurer shall be authorized to transact any additional kind or subdivision of insurance without first qualifying for full casualty insurance powers.

304.169 OTHER KINDS OF INSURANCE: A mutual insurer may be authorized to transact any other kind or kinds of insurance not specifically provided for in this article by compliance with the applicable financial requirements set forth in article three and by otherwise complying with the applicable provisions of this code.

304.170 MINIMUM SURPLUS: (1) A domestic mutual insurer authorized to transact but one kind of insurance shall at all times have and maintain surplus funds, representing the excess of its assets over its liabilities, as follows:

(a) If formed upon the basis of applications for insurance, premiums collected, and surplus, such surplus shall be not less than fifty per cent (50%) of the amount of surplus required for its original certificate of authority.

(b) If formed upon the basis of a surplus fund in lieu of such applications, premiums and surplus, such surplus shall be not less than the amount of the surplus fund so required.

(2) A domestic mutual insurer authorized to transact a combination of kinds of insurance shall at all times have and maintain surplus funds in amount not less than the amount of paid-in capital stock required of a domestic stock insurer to transact like kinds of insurance.

304.171 MEMBERSHIP: (1) Each holder of one or more policies issued by a domestic mutual insurer, other than a contract of reinsurance, is a member of the insurer with the rights and obligations of such membership, and each such policy shall effectively so stipulate.

(2) Any person, public or private corporation, firm, board, association, estate, trustee or fiduciary, in this state or elsewhere, may make application, enter into agreement for and hold policies or contracts in or with and be a member of any domestic, foreign or alien mutual insurer. Any officer, representative, or trustee, receiver or legal representative of any such member or policyholder, shall be recognized as acting for or on its behalf for the purpose of such contracts or membership, but shall not be personally liable upon such contract by reason of acting in such representative capacity.

304.172 RIGHTS OF MEMBERS: (1) A mutual insurer is owned by and shall be operated in the interest of its members.

(2) Each member is entitled to one (1) vote in the election of directors and on matters coming before corporate meetings of members, subject to such reasonable minimum requirements as to duration of membership and amount of insurance held as may be made in the insurer's bylaws. The person named as the policyholder in any policy insuring more than one individual shall be deemed the member, and shall have but one such vote regardless of the number of individuals so insured.

(3) With respect to the management, records, and affairs of the insured, a member shall have the same character of rights and relationship as a stockholder has toward a domestic stock insurer.

304.173 BYLAWS: The insurer shall adopt bylaws for the conduct of its affairs. The bylaws, and any modifications thereof, shall forthwith be filed with the commissioner. The commissioner shall disapprove any such bylaws if he finds, after a hearing thereon, that it does not comply with law or that it unreasonably interferes with the rights of members or exercise of such rights. No bylaw so disapproved shall be effective during the existence of such disapproval.

304.174 ANNUAL MEETING: (1) The insurer shall, prior to the first day of April, hold the annual meeting of its members for the purpose of receiving reports of its affairs and to elect directors. Except, that as to insurers organized prior to the effective date of this code the annual meeting shall be held at such time as is provided by its charter, or articles of incorporation, or bylaws.

(2) Notice of the time and place of the meeting shall be given by imprinting such notice plainly on policies issued by the insurer, or by written notice mailed to each policyholder within a reasonable time prior to the meeting as provided by the bylaws; except, that insurers heretofore empowered to give such notice by publication may continue so to do.

(3) Members may vote in person or by proxy, and votes may be cast as prescribed in No. 207 of the Constitution of this state. A power of attorney to appoint a proxy shall be subject to the same limitations as by statute apply to proxies.

304.178 CONTINGENT LIABILITY OF MEMBERS: (1) Each member of a domestic mutual insurer, except as otherwise provided in this article, shall have a contingent liability, pro rata and not one for another, for the discharge of its obligations. The contingent liability shall be in such amount as is stated in the insurer's articles of incorporation or bylaws, but shall be in amount not less than one, nor more than two (2) in the case of a life insurer, nor more than five (5), in the case of insurers other than life, times the premium for the member's policy at the annual premium rate for a term of one (1) year; or at the semi-annual premium rate for a term of six months as to policies for a kind of insurance customarily issued by the insurer on a semi-annual premium basis only.

(2) Every policy issued by the insurer shall contain a statement of the contingent liability.

(3) Termination of the policy of any such member shall not re-

lieve the member of contingent liability for his proportion, if any, of the obligations of the insurer which accrued while the policy was in force.

304.179 ACCRUAL OF LIABILITY: (1) If at any time the assets of a domestic mutual insurer are less than its liabilities and the minimum amount of surplus required of it by this code for continuance of its certificate of authority, and the deficiency is not cured from other sources, its directors may levy an assessment only upon its members who at any time within the twelve (12) months immediately preceding the date notice of such assessment was mailed to them held policies providing for contingent liability.

(2) Such an assessment shall be for such an amount of money as is required to render the insurer fully solvent and to provide a reasonable amount of working capital above such minimum amount of surplus, but such working capital so provided shall not exceed an amount equal to five per cent (5%) of the insurer's liabilities as of the same date as of which the amount of such deficiency was determined.

(3) No one policy or member as to such policy, shall be assessed or be charged with an aggregate of contingent liability as to obligations incurred by a domestic mutual insurer in any one (1) calendar year, in excess of the number of times the premium as stated in the policy as computed solely upon premium earned on such policy during that year.

(4) No member shall have an offset against any assessment for which he is liable, on account of any claim for unearned premium or losses payable.

(5) Collection of an assessment levied upon members may be enforced by such legal means as are available for enforcement of contractual obligations generally.

304.180 LIEN ON LIFE RESERVES: As to life insurance, any portion of an assessment of contingent liability upon a member which remains unpaid following notice of such assessment, demand for payment, and lapse of a reasonable waiting period as specified in such notice, may, if approved by the commissioner, be secured by placing a lien upon the cash surrender values held by the insurer to the credit of such member.

304.181 CONTINGENT LIABILITY NO ASSET: Unrealized contingent liability of members of a mutual insurer to assessment

does not constitute an asset of the insurer in any determination of its financial condition.

304.182 NON-ASSESSABLE POLICIES: (1) After a domestic mutual insurer has established a surplus not less in amount than the paid-in capital stock required of a domestic stock insurer transacting the same kind or kinds of insurance, it may extinguish the contingent liability of its members to assessment and omit provisions imposing contingent liability in all policies currently issued.

(2) When the surplus has been so established and the commissioner has so ascertained, he shall issue to the insurer, at its request, his certificate authorizing the extinguishment of the contingent liability of its members and the issuance of policies free therefrom.

(3) Such a certificate shall not be required as to insurers which at the effective date of this code, are lawfully issuing non-assessable policies.

304.183 APPLIES TO ALL POLICIES: The commissioner shall not authorize a domestic mutual insurer so to extinguish the contingent liability of members unless such extinguishment is to apply to all members and to all policies thereafter issued for all kinds of insurance transacted by it. Except, that if required by the laws of another state in which such an insurer is transacting insurance as an authorized insurer, the insurer may issue policies providing for the contingent liability of such of its members as may acquire such policies in such state, and need not extinguish the contingent liability applicable to policies theretofore in force in such state.

304.184 REVOCATION OF AUTHORITY: (1) The commissioner shall revoke the authority of a mutual insurer to issue policies without contingent liability if

(a) At any time the insurer's assets are less than the sum of its liabilities and the surplus required for such authority, or

(b) the insurer, by resolution of its directors approved by its members, requests that the authority be revoked.

(2) Upon revocation of such authority for any cause, the insurer shall not thereafter issue any policies without contingent liability, nor renew or accept further premium relative to any policies then in force without written endorsement thereon providing for contingent liability.

304.185 DIVIDENDS: (1) The directors of a mutual insurer may from time to time apportion and pay to its members dividends only out of that part of its surplus which is in excess of its required minimum surplus and which represents net realized savings and net realized earnings.

(2) Such dividends shall be paid or credited to policyholders according to such reasonable classifications of its policies as the directors may in their discretion from time to time establish. No dividend shall be paid which unfairly discriminates as between policies within the same classification.

304.186 NON-PARTICIPATING POLICIES: (1) If its articles of incorporation or bylaws so provide, a mutual insurer may, while it is authorized to issue policies without contingent liability to assessment, issue policies not entitled to participate in the insurer's savings and earnings.

(2) Such insurer shall not issue in this state both participating and non-participating policies for the same class of risks; except provided in subsection (3) of KRS 304.136 as to stock insurers.

304.188 BORROWED FUNDS: (1) A domestic mutual insurer may, with the commissioner's advance approval and without pledge of any of its assets, borrow money necessary for the conduct of its business or to enable it to comply with any requirement of law, upon an agreement that such money and such interest thereon as may be agreed upon, but not exceeding six per cent (6%) per annum, shall be repaid only out of the insurer's earned surplus in excess of its required minimum surplus.

(2) Any money so borrowed shall not form a part of the insurer's legal liabilities or be the basis of any set-off; but until repaid, financial statements filed or published by the insurer shall show as a footnote thereto the amount thereof then unpaid together with interest thereon accrued but unpaid.

(3) The commissioner's approval of the loan, if granted, shall specify the amount to be borrowed, the purpose for which the money is to be used, the terms and form of the loan agreement, the date of which the loan must be completed, and such other related matters as the commissioner shall deem proper. No commission or promotional expense shall be incurred or be paid on account of of any such loan.

(4) This section shall not apply as to lawful borrowing of funds by an insurer if such loan is secured by pledge of assets.

304.189 REPAYMENT OF BORROWED FUNDS: (1) The insurer may repay any loan received pursuant to KRS 304.188, or any part thereof as approved by the commissioner, only out of its surplus funds which represent such loan or realized net earned surplus. No repayment shall be made which reduces the insurer's surplus below the minimum surplus required for the kinds of insurance transacted.

(2) The insurer shall repay any such loan or the largest possible part thereof when the purposes for which such funds were borrowed have been fulfilled and when the insurer's surplus is adequate to repay without unreasonable impairment of its operations.

(3) No repayment of such loan shall be made unless approved by the commissioner. The insurer shall notify the commissioner in writing not less than sixty (60) days in advance of its intention to repay such loan or any part thereof, and the commissioner shall forthwith ascertain whether the insurer's financial condition is such that repayment can properly be made.

(4) Upon liquidation of the insurer, after retirement of all its other outstanding obligations the holders of any such loan agreements then remaining unpaid shall be entitled to payment before any general distribution of surplus is made to the insurer's members.

304.191 IMPAIRMENT OF SURPLUS: (1) If the assets of a mutual insurer fall below the amount of its liabilities, plus the amount of any surplus required by this code for the kinds of insurance authorized to be transacted, the commissioner shall ascertain the amount of the deficiency and forthwith serve notice upon the insurer to cure the deficiency within ninety (90) days after service of notice.

(2) If the deficiency is not made good, in cash or in assets eligible under this code for the investment of the insurer's funds, and proof thereof filed with the commissioner within such ninety-day period, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.

304.192 CONVERSION OR REINSURANCE: (1) No mutual insurer shall be converted, changed, or reorganized as a stock corporation.

(2) Such an insurer may be wholly reinsured in and its assets transferred to and its liabilities assumed by another mutual or stock insurer under such terms and conditions as are approved by the commissioner in advance of such reinsurance.

(3) The commissioner shall not approve any such reinsurance agreement which does not determine the amount of and make adequate provision for paying to policyholders of such mutual insurer, reasonable compensation for their equities as owners of such insurer, such compensation to be apportioned to policyholders as identified and in the manner prescribed in KRS 304.193.

304.193 MEMBERS' SHARE OF ASSETS: (1) Upon the liquidation of a mutual insurer, its assets remaining after discharge of its indebtedness and policy obligations shall be distributed to its members who were such at any time within the three full calendar years last preceding the last termination of its certificate of authority.

(2) The distributive share of each such member shall be in the proportion that the aggregate premiums earned by the insurer on the policies of the member during the combined periods of his membership, bear to the aggregate of all premiums so earned on the policies of all such members. The insurer may make a reasonable classification of its policies so held by such members and a formula based upon such classification for determining the equitable distributive share of each such member. Such classification and formula shall be subject to the commissioner's approval.

304.194 AMENDMENT OF ARTICLES OF INCORPORATION: The articles of incorporation of a mutual insurer shall be amended by a majority vote of its board of directors and the vote or written assent of two-thirds of the members voting at a valid meeting of members of which due notice, setting forth the terms or substance of the proposed amendment, was given the insurer's members.

ARTICLE SEVEN RECIPROCAL INSURERS

304.280 "RECIPROCAL" INSURANCE DEFINED: "Reciprocal" insurance is that resulting from an inter-exchange among persons, known as "subscribers," of reciprocal agreements of indem-

nity, the inter-exchange being effectuated through an "attorney-in-fact" common to all such persons.

304.281 "RECIPROCAL INSURER" DEFINED: A "reciprocal insurer" means an unincorporated aggregation of subscribers operating individually and collectively through an attorney-in-fact to provide reciprocal insurance among themselves.

304.282 SCOPE OF ARTICLE: All authorized reciprocal insurers shall be governed by those sections of this article not expressly made applicable to domestic reciprocal insurers.

304.283 INSURING POWERS: (1) A reciprocal insurer may, upon qualifying therefor as provided by this code, transact any kind or kinds of insurance defined by this code, other than life or title insurance.

(2) A reciprocal insurer may cede or accept reinsurance of any kind of risk which it is authorized to insure direct.

304.284 NAME, SUITS: A reciprocal insurer shall: (1) Have and use a business name. The name shall include the word "reciprocal," or "inter-insurer," or "inter-insurance," or "exchange," or "underwriters," or "underwriting."

(2) Sue and be sued in its own name.

304.285 "ATTORNEY": "Attorney" as used in this article refers to the attorney-in-fact of a reciprocal insurer. The attorney may be an individual, firm, or corporation.

304.286 ORGANIZATION: (1) Twenty-five (25) or more persons domiciled in this state may organize a domestic reciprocal insurer and in compliance with this code make application to the commissioner for a certificate of authority to transact insurance.

(2) When applying for a certificate of authority, the original subscribers and the proposed attorney shall fulfill the requirements of and shall execute and file with the commissioner a declaration setting forth:

(a) the name of the insurer;

(b) the location of the insurer's principal office, which shall be the same as that of the attorney and shall be maintained within this state;

- (c) the kinds of insurance proposed to be transacted;
- (d) the names and addresses of the original subscribers;
- (e) the designation and appointment of the proposed attorney and a copy of the power of attorney;
- (f) the names and addresses of the officers and directors of the attorney, if a corporation, or of its members, if a firm;
- (g) the powers of the subscribers' advisory committee and the names and terms of office of the members thereof;
- (h) a copy of the subscribers' agreement;
- (i) a statement that each of the original subscribers has in good faith applied for insurance of the kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than six (6) months at the rate theretofore filed with and approved by the commissioner;
- (j) a statement of the financial condition of the insurer, a schedule of its assets, and a statement that the surplus as required by KRS 304.071 is on hand;
- (k) a copy of each policy, endorsement, and application form it then proposes to issue or use.

Such declaration shall be acknowledged by each such subscriber and by the attorney in the manner required for the acknowledgment of deeds to real estate.

304.288 CERTIFICATE OF AUTHORITY: (1) The certificate of authority of a reciprocal insurer shall be issued to its attorney in the name of the insurer.

(2) The commissioner may refuse, suspend, or revoke the certificate of authority, in addition to other grounds therefor, for failure of its attorney to comply with any provision of this code.

304.289 POWER OF ATTORNEY: (1) The rights and powers of the attorney of a reciprocal insurer shall be as provided in the power of attorney given it by the subscribers.

(2) The power of attorney must set forth:

(a) The powers, duties and compensation of the attorney;

(b) that the attorney is empowered to accept service of process on behalf of the insurer and to authorize the commissioner to receive service of process in actions against the insurer upon contracts exchanged;

(c) except as to nonassessable policies, a provision for a contingent several liability of each subscriber in a specified amount which amount shall be not less than one (1) nor more than ten (10) times the premium or premium deposit stated in the policy;

(3) The power of attorney may:

(a) Provide for the right of substitution of the attorney and revocation of the power of attorney and rights thereunder;

(b) contain other lawful provisions deemed advisable.

(4) The terms of any power of attorney or agreement collateral thereto shall be reasonable and equitable, and no such power or agreement or any amendment thereof, shall be used or be effective in this state until approved by the commissioner.

304.290 MODIFICATION: Modification of the terms of the subscribers' agreement or of the power of attorney of a domestic reciprocal insurer shall be made jointly by the attorney and the subscribers' advisory committee. No such modification shall be effective retroactively, nor as to any insurance contract issued prior thereto.

304.291 BOND: (1) Concurrently with the filing of the declaration provided for in KRS 304.386, the attorney of a domestic reciprocal insurer shall file with the commissioner a bond running to the Commonwealth of Kentucky. The bond shall be executed by the attorney and by an authorized corporate surety, and shall be subject to the commissioner's approval.

(2) The bond shall be in the penal sum of twenty-five thousand dollars (\$25,000), conditioned that the attorney will faithfully account for all monies and other property of the insurer coming into his hands, and that he will not withdraw or appropriate for his own use from the funds of the insurer any monies or property to which he is not entitled under the power of attorney.

(3) The bond shall provide that it is not subject to cancella-

tion unless thirty (30) days' advance notice in writing of intent to cancel is given to both the attorney and the commissioner.

304.292 DEPOSIT IN LIEU: In lieu of such bond, the attorney may maintain on deposit with the commissioner a like amount in cash or in value of securities qualified under this code as insurers' investments, and subject to the same conditions as the bond.

304.294 LEGAL PROCESS: (1) Legal process shall be served upon a domestic reciprocal insurer by serving the insurer's attorney at his principal offices or by serving the commissioner as the insurer's attorney-in-fact.

(2) Any judgment against the insurer based upon legal process so served shall be binding upon each of the insurer's subscribers as their respective contingent liabilities.

304.296 CONTRIBUTIONS: (1) The attorney or other parties may advance to the reciprocal insurer such funds as it may require from time to time in its operations. Sums so advanced shall not be treated as a liability of the insurer, and shall not be withdrawn or repaid except out of the insurer's realized earned surplus in excess of its minimum required surplus. No such withdrawal or repayment shall be made without the advance approval of the commissioner.

304.297 DETERMINING FINANCIAL CONDITION: In determining the financial condition of a reciprocal insurer the commissioner shall apply the following rules:

(1) He shall charge as liabilities the same reserves as are required of incorporated insurers issuing nonassessable policies on a reserve basis.

(2) The surplus deposits of subscribers shall be allowed as assets, except that any premium deposit delinquent for ninety (90) days shall first be charged against such surplus deposit.

(3) The surplus deposits of subscribers shall not be charged as a liability.

(4) All premium deposits delinquent less than ninety (90) days shall be allowed as assets.

(5) An assessment levied upon subscribers, and not collected, shall be allowed as assets.

(6) The contingent liability of subscribers shall not be allowed as an asset.

(7) The computation of reserves shall be based upon premium deposits other than membership fees and without any deduction for the compensation of the attorney.

304.298 SUBSCRIBERS: Any person, public or private corporation, firm, board, association, estate, trustee or fiduciary, in this state or elsewhere, may make application, enter into agreement for and hold policies or contracts in or with and be a subscriber of any domestic, foreign or alien reciprocal insurer. Any officer, representative, or trustee, receiver or legal representative of any such subscriber or policyholder, shall be recognized as acting for or on its behalf for the purpose of such contracts or subscribership but shall not be personally liable upon such contract by reason of acting in such representative capacity.

304.299 SUBSCRIBERS' ADVISORY COMMITTEE: (1) The advisory committee exercising the subscribers' rights in a domestic reciprocal insurer shall be selected under such rules as the subscribers adopt.

(2) Not less than three-fourths of such committee shall be composed of subscribers other than the attorney, or any person employed by, representing, or having a financial interest in the attorney.

(3) The committee shall:

(a) Supervise the finances of the insurer;

(b) supervise the insurer's operations to such extent as to assure their conformity with the subscribers' agreement and power of attorney;

(c) procure the audit of the accounts and records of the insurer and of the attorney at the expense of the insurer;

(d) have such additional powers and functions as may be conferred by the subscribers' agreement.

304.301 SUBSCRIBER'S LIABILITY: (1) The liability of each subscriber subject to assessment for the obligations of the reciprocal insurer shall not be joint, but shall be individual and several.

(2) Each subscriber who is subject to assessment shall have a contingent assessment liability, in the amount provided for in the power of attorney or in the subscribers' agreement, for payment of actual losses and expenses incurred while his policy was in force. Such contingent liability may be at the rate of not less than one (1) nor more than ten (10) times the premium or premium deposit stated in the policy, and the maximum aggregate thereof shall be computed in the manner set forth in KRS 304.305.

(3) Each assessable policy issued by the insurer shall plainly set forth a statement of the contingent liability.

304.302 SUBSCRIBER'S LIABILITY ON JUDGMENTS:

(1) No action shall lie against any subscriber upon any obligation claimed against the insurer until a final judgment has been obtained against the insurer and remains unsatisfied for thirty (30) days.

(2) Any such judgment shall be binding upon each subscriber only in such proportion as his interest may appear and in an amount not exceeding his contingent liability, if any.

304.303 ASSESSMENTS: (1) Assessments may be levied from time to time upon the subscribers of a domestic reciprocal insurer, other than as to non-assessable policies, by the attorney upon approval in advance by the subscribers' advisory committee and the commissioner; or by the commissioner in liquidation of the insurer.

(2) Each such subscriber's share of a deficiency for which an assessment is made, not exceeding in any event his aggregate contingent liability as computed in accordance with KRS 304.305, shall be computed by applying to the premium earned on the subscriber's policy or policies during the period to be covered by the assessment, the ratio of the total deficiency to the total premiums earned during such period upon all policies subject to the assessment.

(3) In computing the earned premiums for the purposes of this section, the gross premium received by the insurer for the policy shall be used as a base, deducting therefrom solely charges not recurring upon the renewal or extension of the policy.

(4) No subscriber shall have an offset against any assessment for which he is liable, on account of any claim for unearned premium or losses payable.

304.304 TIME LIMIT FOR ASSESSMENT: Every subscriber of a domestic reciprocal insurer having contingent liability shall be liable for, and shall pay his share of any assessment, as computed and limited in accordance with this article, if,

(1) while his policy is in force or within one (1) year after its termination, he is notified by either the attorney or the commissioner of his intentions to levy such assessment, or

(2) if an order to show cause why a receiver, conservator, rehabilitator, or liquidator of the insured should not be appointed is issued pursuant to article twenty-nine while his policy is in force or within one (1) year after its termination.

304.305 AGGREGATE LIABILITY: No one policy or subscriber as to such policy, shall be assessed or be charged with an aggregate of contingent liability as to obligations incurred by a domestic reciprocal insurer in any one (1) calendar year, in excess of the number of times the premium as stated in the policy as computed solely upon premium earned on such policy during that year.

304.306 NONASSESSABLE POLICIES: (1) If a reciprocal insurer has a surplus of assets over all liabilities at least equal to the minimum capital stock required of a domestic stock insurer authorized to transact like kinds of insurance, upon application of the attorney and as approved by the subscribers' advisory committee the commissioner shall issue his certificate authorizing the insurer to extinguish the contingent liability of subscribers under its policies then in force in this state, and to omit provisions imposing contingent liability in all policies delivered or issued for delivery in this state for so long as all such surplus remains unimpaired. Such a certificate shall not be required as to insurers which at the effective date of this code are lawfully issuing non-assessable policies.

(2) Upon impairment of such surplus, the commissioner shall forthwith revoke the certificate. No policy shall thereafter be issued or renewed without providing for the contingent assessment liability of subscribers.

(3) The commissioner shall not authorize a domestic reciprocal insurer so to extinguish the contingent liability of any of its subscribers or in any of its policies to be issued, unless it qualifies to and does extinguish such liability of all its subscribers and in all

such policies for all kinds of insurance transacted by it. Except that if required by the laws of another state in which the insurer is transacting insurance as an authorizing insurer, the insurer may issue policies providing for the contingent liability of such of its subscribers as may acquire such policies in such state, and need not extinguish the contingent liability applicable to policies theretofore in force in such state.

304.307 SHARE IN SAVINGS: A reciprocal insurer may from time to time return to its subscribers any savings or credits accruing to their accounts. Any such distribution shall not unfairly discriminate between classes of risks, or policies, or between subscribers, but such distribution may vary as to classes of subscribers, based upon the experience of such subscribers.

304.308 SUBSCRIBER'S SHARE OF ASSETS: Upon the liquidation of a domestic reciprocal insurer, its assets remaining after discharge of its indebtedness and policy obligations, the return of any contributions to its surplus made as provided in KRS 304.296, and the return of any unused deposits, savings, or credits, shall be distributed to its subscribers who were such within the twelve (12) months prior to the last termination of its certificate of authority according to such formula as is approved by the commissioner.

304.310 MERGER OR CONVERSION: (1) A domestic reciprocal insurer, upon affirmative vote of not less than two-thirds of the subscribers who vote upon such merger pursuant to such notice as may be approved by the commissioner and with the approval of the commissioner of the terms therefor, may merge with another reciprocal insurer or be converted to a stock or mutual insurer.

(2) Such a stock or mutual insurer shall be subject to the same capital requirements and shall have the same rights as a like domestic insurer transacting like kinds of insurance.

(3) The commissioner shall not approve any plan for such merger or conversion which is inequitable to subscribers, of which, if for conversion to a stock insurer, does not give each subscriber preferential right to acquire stock of the proposed insurer proportionate to his interest in the reciprocal insurer as determined in accordance with KRS 304.308 and a reasonable length of time within which to exercise such right.

304.311 IMPAIRED RECIPROCAL: (1) If the assets of a domestic reciprocal insurer are at any time insufficient to discharge its liabilities, other than any liability on account of funds contributed by the attorneys or other parties, and to maintain the surplus required for the kinds of insurance it is authorized to transact, and if the deficiency is not cured from other sources, its attorney shall forthwith levy an assessment upon subscribers made subject to assessment by the terms of their policies for the amount needed to make up the deficiency.

(2) If the attorney fails to make the assessment within thirty (30) days after the commissioner orders him to do so, or if the deficiency is not fully made up within sixty (60) days after the date the assessment was made, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.

(3) If liquidation of such an insurer is ordered, an assessment shall be levied upon the subscribers for such an amount, subject to limits as provided by this article, as the commissioner determines to be necessary to discharge all liabilities of the insurer, exclusive of any funds contributed by the attorney or other parties, but including the reasonable cost of the liquidation.

ARTICLE EIGHT

LLOYD'S PLAN INSURERS

304.315 UNDERWRITERS AUTHORIZED TO INSURE ON LLOYD'S PLAN: (1) Individuals or associations of individuals hereby designated "underwriters" are authorized to transact insurance in this state as insurers on the Lloyd's plan, as provided by this code.

(2) Underwriters may effect any of the kinds of insurance authorized by this code, other than life or title insurance, on being authorized by the commissioner.

304.316 APPLICATION FOR LICENSE AS UNDERWRITER: Underwriters shall file with the commissioner an application, signed and sworn to by their duly authorized attorney in fact, setting forth in addition to matters required in KRS 304.080: (1) The names and addresses of all the underwriters proposing to engage in the business.

(2) The number of underwriters, which shall not be less than twenty-five, and that each underwriter is worth in his own right not less than twenty thousand dollars over and above all his liabilities.

(3) A statement showing a list of all cash and invested assets owned by the associated underwriters, and their value.

304.317 AUTHORIZATION OF UNDERWRITERS; SUSPENSION OR REVOCATION OF AUTHORITY: (1) Upon the filing of the documents required, the commissioner shall examine them. If it appears that all the statements made are true and that the rights of the policyholders will be protected thereunder, and that the insurer is otherwise qualified therefor, he shall issue a certificate of authority to the underwriters under the name chosen and approved, authorizing them to transact the business of insurance as specified in the application.

(2) Prior to the issuance of a certificate of authority, a Lloyd's organization shall submit to examination of its affairs, by the commissioner, or, if acceptable to the commissioner, shall file with him a certified copy of an examination of its affairs made within two years by the proper supervising official of some other state.

304.318 ADMISSION OF ADDITIONAL UNDERWRITERS TO ORIGINAL AUTHORIZED GROUP; REGULATED AS ORIGINAL MEMBERS: Whenever authorized underwriters are joined by other underwriters, additional or substituted, the additional or substituted underwriters must comply with the provisions of the law, and they shall be held to be bound by the documents on file with the commissioner concerning the authorized underwriters, in the same manner and to the same extent as though they had been original applicants for the certificate of authority.

304.319 DEPOSIT REQUIREMENTS FOR ALIEN UNDERWRITERS: (1) If an underwriter applying for authority is not a citizen of the United States, he shall, at the time of making application, deposit with the Custodian of Insurance Securities five thousand dollars in cash or in securities such as required for the investment of the capital of stock insurers authorized to transact similar kinds of insurance in this state.

(2) This section shall not apply if the alien underwriter is one of an association of underwriters having on deposit with the insur-

ance department of any state of the United States, or in the hands of a bank or trust company in the United States as trustee, a cash deposit or approved securities worth not less than \$200,000, held in trust for the benefit of all their policyholders in the United States, or if the alien underwriter is one of an association of underwriters, nine-tenths of whom are at all times citizens of the United States, and who have complied with the other provisions of law.

ARTICLE NINE

KINDS OF INSURANCE; REINSURANCE; LIMITS OF RISK

304.340 LIFE INSURANCE DEFINED: Life insurance is insurance on human lives and insurance appertaining thereto or connected therewith. For the purposes of this code the transacting of life insurance includes the granting of annuities and endowment benefits, additional benefits in event of death by accident or accidental means, additional benefits in event of the total and permanent disability of the insured, and optional modes of settlement of proceeds.

304.342 DISABILITY INSURANCE DEFINED: Disability insurance is insurance against bodily injury, disablement or death by accident or accidental means, or the expense thereof, against disablement or expense resulting from sickness, and every insurance appertaining thereto.

304.344 PROPERTY INSURANCE DEFINED: (1) Property insurance is insurance against loss of or damage to real or personal property of every kind and interest therein, from any or all hazard or cause, and against loss consequential upon such loss or damage.

(2) By way of description and not as limitation, property insurance shall be deemed to include:

(a) Insurance against loss or damage to property and loss of use and occupancy by fire, lightning, storm, flood, frost, freezing, snow, hail, ice, weather or climatic conditions, including excess or deficiency of moisture, rain or rising of the waters of the ocean or its tributaries, drought, insects, vermin or forces of nature, smoke, smudge, riot, riot attending strike, strikes, sabotage, civil commotion, vandalism or malicious mischief or caused by wrongful conversion, disposal or concealment of a motor vehicle or aircraft, whether or not handled under a conditional sale contract or subject to chattel mortgage, civil war, rebellion, insurrection, invasion, bom-

bardment, military or usurped power, or by any order of civil authorities meant to prevent the spread of conflagration or epidemic or catastrophe, explosion with fire ensuing or explosion with no fire ensuing, except explosion by steam boilers or flywheels, but there may be insured hereunder explosion of pressure vessels (not including steam boilers of more than fifteen pounds' pressure) in buildings designed and used solely for residential purposes by not more than four families, explosion of any kind originating outside of the insured building, or outside the building containing the property insured, and explosion of pressure vessels which do not contain steam or which are not operated with steam coils or steam jackets.

(b) Insurance against loss or damage by insects or disease to farm crops or products, and loss of rental value of land used in producing such crops or products.

(c) Insurance against accidental injury to sprinklers, pumps, water pipes, elevator tanks and cylinders, steam pipes and radiators, plumbing and its fixtures, ventilating, refrigerating, heating, lighting or cooking apparatus, or their connections, or conduits or containers of any gas, fluid, or other substance, and against loss or damage to property of the insured caused by the breakage or leakage thereof, or by water, hail, rain, sleet or snow seeping or entering through water pipes, leaks or openings in buildings.

(d) Insurance against loss or damage caused by railroad equipment, motor vehicles, airplanes, seaplanes, dirigibles or other aircraft.

(e) Insurance against loss of or damage to: Vessels, craft, aircraft, cars, automobiles and vehicles of every kind, as well as all goods, freights, cargoes, merchandise, effects, disbursements, profits, moneys, bullion, precious stones, securities, choses in action, evidence of debt, valuable papers, bottomry and respondentia interests and all other kinds of property and interests therein, in respect to, appertaining to or in connection with any and all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas or other waters, on land or in the air, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting the same or during any delays, storage, transshipment, or reshipment incident thereto, including marine builder's risks and all personal property floater risks, and persons

or property in connection with or appertaining to a marine, inland marine, transit or transportation insurance, including liability for loss of or damage to either, arising out of or in connection with the construction, repair, operation, maintenance or use of the subject matter of such insurance (but not including life insurance or surety bonds), and precious stones, jewels, jewelry, gold, silver and other precious metals, whether used in business or trade or otherwise and whether the same be in course of transportation or otherwise, and bridges, tunnels and other instrumentalities of transportation and communication (excluding buildings, their furniture and furnishings, fixed contents and supplies held in storage) unless fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and/or civil commotion are the only hazards to be covered; piers, wharves, docks and ships, excluding the risks of fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and/or civil commotion; other aids to navigation and transportation, including dry docks and marine railways, against all risks.

(f) "Marine protection and indemnity insurance", meaning insurance against, or against legal liability of the insured for, loss, damage or expense arising out of, or incident to, the ownership, operation, chartering, maintenance, use, repair or construction of any vessel, craft or instrumentality in use in ocean or inland waterways, including liability of the insured for personal injury, illness or death or for loss of or damage to the property of another person.

(g) Vehicle insurance as defined in this article.

(3) Matters set out in subsection (2) of this section shall not be deemed thereby to limit the scope of property insurance as defined in subsection (1) of this section, nor shall the fact that certain coverages coming within the scope of property insurance as defined in subsection (1) are also defined as part of another kind of insurance be deemed to limit the scope of such definition of property insurance or the right of a property insurer to provide such coverages.

304.347 VEHICLE INSURANCE DEFINED: (1) Vehicle insurance is insurance against loss of or damage to any land vehicle or aircraft or any draft or riding animal or to property while contained therein or thereon or being loaded or unloaded therein or therefrom, and against any loss, expense or liability for loss or damage to per-

sons or property resulting from or incident to ownership, maintenance, or use of any such vehicle or aircraft or animal.

(2) Insurance against accidental death or accidental injury to individuals including the named insured, while in, entering, alighting from, adjusting, repairing, cranking, or caused by being struck by a vehicle, aircraft, or draft or riding animal, if such insurance is issued as part of insurance on the vehicle, aircraft, or draft or riding animal, shall be deemed to be vehicle insurance.

304.348 CASUALTY INSURANCE DEFINED: Casualty insurance includes vehicle insurance as defined in KRS 304.347, disability insurance as defined in KRS 304.342, and in addition is:

(1) *Liability Insurance*: Insurance against legal liability for the death, injury, or disability of any human being, or for damage to property; and insurance of medical, hospital, surgical and funeral benefits to persons injured, irrespective of legal liability of the insured, when issued as an incidental coverage with or supplemental to liability insurance.

(2) *Workmen's Compensation and Employer's Liability*: Insurance of the obligations accepted by, imposed upon, or assumed by employers under law for death, disablement, or injury of employees.

(3) *Burglary and Theft*: Insurance against loss or damage by burglary, theft, larceny, robbery, forgery, fraud, vandalism, malicious mischief, confiscation or wrongful conversion, disposal or concealment, or from any attempt of any of the foregoing; also insurance against loss of or damage to moneys, coins, bullion, securities, notes, drafts, acceptances or any other valuable papers or documents, resulting from any cause, except while in the custody or possession of and being transported by any carrier for hire or in the mail.

(4) *Personal Property Floater*: Insurance of individuals by an all-risk type of policy commonly known as the "Personal Property Floater" against any and all kinds of loss of or damage to, or loss of use of, any personal property other than merchandise.

(5) *Glass Insurance*: Insurance against loss of or damage to glass and its appurtenances resulting from any cause.

(6) *Boiler Explosion*: Insurance against any liability and loss

or damage to property resulting from accidents to or explosion of boilers, pipes, pressure containers, machinery, or apparatus, and to make inspection of and issue certificates of inspection upon elevators, boilers, machinery and apparatus of any kind, whether or not insured.

(7) *Water Damage*: Insurance against loss of or damage to any property caused by the breakage or leakage of sprinklers, water pipes and other apparatus, or by water entering through leaks or openings in buildings, other than flood waters.

(8) *Credit Insurance*: Insurance against loss or damage resulting from failure of debtors to pay their obligations to the insured.

(9) *Elevator Insurance*: Insurance against loss of or damage to any property of the insured, resulting from the ownership, maintenance or use of elevators, except loss or damage by fire.

(10) *Livestock Insurance*: Insurance against loss of or damage to any domesticated or wild animal resulting from any cause.

(11) *Collision Insurance*: Insurance against loss of or damage to any property of the insured resulting from collision of any other object with such property, but not including collision to or by elevators, or to or by vessels, craft, piers or other instrumentalities of ocean or inland navigation.

(12) *Malpractice Insurance*: Insurance against legal liability of the insured, and against loss, damage or expense incident to a claim of such liability, and including any obligation of the insured to pay medical, hospital, surgical and funeral benefits to injured persons, irrespective of legal liability of the insured, arising out of the death or injury of any person, or arising out of injury to the economic interest of any person as the result of negligence in rendering expert, fiduciary or professional service.

(13) Insurance against any other kind of loss, damage, or liability properly the subject of insurance and not within any other kind or kinds of insurance as defined in this article, if such insurance is not disapproved by the commissioner as being contrary to law or public policy.

304.350 SURETY INSURANCE DEFINED: Surety insurance includes:

(1) Credit insurance as defined in subsection (8) of KRS 304.348.

(2) Fidelity insurance, which is insurance guaranteeing the fidelity of persons holding positions of public or private trust.

(3) Guaranteeing the performance of contracts, and guaranteeing and executing bonds, undertakings, and contracts of suretyship.

(4) Indemnifying banks, bankers, brokers, financial or moneyed corporations or associations or other persons against loss resulting from any cause of bills of exchange, notes, bonds, securities, evidences of debts, deeds, mortgages, warehouse receipts, or other valuable papers, documents, money, precious metals and articles made therefrom, jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, including any loss while the same are being transported in armored motor vehicles, or by messenger, but not including any other risks of transportation or navigation; also against loss or damage to such an insured's premises, or to his furnishings, fixtures, equipment, safes and vaults therein, caused by burglary, robbery, theft, vandalism or malicious mischief, or any attempt thereat.

304.352 TITLE INSURANCE DEFINED: Title insurance is insurance of owners of property or others having an interest therein, or liens or encumbrances thereon, against loss by encumbrance, or defective titles, or adverse claim to title, and services connected therewith.

304.354 REINSURANCE: Complete copies of reinsurance treaties and contracts shall, at his request, be filed with and approved by the commissioner.

304.356 LIMIT OF RISK: (1) No insurer shall retain any risk on any one subject of insurance, whether located or to be performed in this state or elsewhere, in an amount exceeding ten percent (10%) of its surplus to policyholders, except that:

(a) Domestic mutual vehicle insurers in process of being formed may insure up to the applicable limits provided by KRS 304.165.

(2) For the purposes of this section, a subject of insurance as to insurance against fire or other hazard insured against includes all properties insured by the same insurer which are customarily considered by underwriters to be subject to loss or damage from the same fire or other hazard insured against.

(3) Reinsurance authorized under KRS 304.385 may be deducted in determining risk retained. As to surety risks deduction may also be made of the amount assumed by any co-surety and the value of any security deposited, pledged, or held subject to the surety's consent and for the surety's protection.

(4) This section shall not apply to life, disability, or title insurance or to insurance of marine risks, or marine protection and indemnity risks, nor to workmen's compensation.

(5) For the purpose of this section, 'surplus to policyholders' shall (a) be deemed to include any voluntary reserves, or any part thereof, which are not required by or pursuant to law, and (b) be determined from the last sworn statement of such insurer on file with the commissioner pursuant to law, or by the last report of examination filed by the commissioner, whichever is more recent at the time of assumption of such risk. In applying the limitation of risk provisions of this section to alien insurers, such provisions shall be deemed to refer to the exposure to risk and to the surplus to policyholders of the United States branch of such alien insurer.

ARTICLE TEN ASSETS AND LIABILITIES

304.365 "ASSETS" DEFINED: In any determination of the financial condition of any insurer there shall be allowed as assets only such assets as belong wholly and exclusively to the insurer, and which consist of:

(1) Cash in the possession of the insurer or in transit under its control, and the true balance of any deposit of the insurer in a solvent bank or trust company subject to KRS 304.424;

(2) Investments, securities, properties, and loans acquired or held in accordance with this code, and in connection therewith the following items:

(a) Interest due or accrued on any bond or evidence of indebt-

edness which is not in default and which is not valued on a basis including accrued interest.

(b) Declared and unpaid dividends on stocks and shares unless such amount has otherwise been allowed as an asset.

(c) Interest due or accrued upon a collateral loan in an amount not to exceed one (1) year's interest thereon.

(d) Interest due or accrued on deposits in solvent banks and trust companies, and interest due or accrued on other assets if such interest is in the judgment of the commissioner a collectible asset.

(e) Interest due or accrued on a mortgage loan, in amount not exceeding in any event the amount, if any, of the excess of the value of the property less delinquent taxes thereon over the unpaid principal; but in no event shall interest accrued for a period in excess of eighteen (18) months be allowed as an asset.

(f) Rent due or accrued on real property if such rent is not in arrears for more than three (3) months, unless such rent is secured by property held in the name of the tenant and conveyed to the insurer as collateral.

(3) Premium notes, policy loans, and other policy assets and liens on policies of life insurance, in amount not exceeding the legal reserve and other policy liabilities carried on each individual policy;

(4) The net amount of uncollected and deferred premiums and annuity considerations in the case of a life insurer, corresponding to the basis on which reserves are held;

(5) Premiums in the course of collection, other than for life insurance, not more than ninety (90) days past due, less commissions payable thereon. The foregoing limitation shall not apply to premiums payable directly or indirectly by the United States government or any of its instrumentalities;

(6) Installment premiums other than life insurance premiums, in accordance with regulations prescribed by the commissioner;

(7) Notes and like written obligations not past due, taken for premiums other than life insurance premiums on policies permitted to be issued on such basis, to the extent of the unearned premium reserves carried thereon and unless otherwise required by regulation prescribed by the commissioner;

(8) The full amount of reinsurance recoverable by a ceding insurer from a solvent reinsurer not disqualified to take such reinsurance under this code; or, in the case of reinsurers disqualified under this code, so much of reinsurance recoverable from such reinsurer as does not exceed the liabilities carried by the ceding insurer for amounts withheld under a reinsurance treaty with such reinsurer as security for the payment of obligations thereunder if such funds are held subject to withdrawal by, and under the control of, the ceding insurer;

(9) Amounts receivable by an assuming insurer representing funds withheld by a solvent ceding insurer under a reinsurance treaty;

(10) Deposits or equities recoverable from underwriting associations, syndicates and reinsurance funds, or from any suspended banking institutions, to the extent deemed by the commissioner available for the payment of losses and claims and at values to be determined by him;

(11) Other assets, not inconsistent with the foregoing provisions, deemed by the commissioner available for the payment of losses and claims, at values to be determined by him; and

(12) All assets, whether or not consistent with the foregoing, as may be allowed pursuant to the annual statement form provided for in KRS 304.105.

Admitted assets may be allowed as deductions from corresponding liabilities and liabilities may be charged as deductions from assets and deductions from assets may be charged as liabilities, in accordance with the form of annual statement applicable to such insurer as prescribed by the commissioner, or otherwise in his discretion. The commissioner may make official regulations prescribing the application of the provisions of this section.

304.366 "ASSET" NOT ALLOWED: The following expressly

shall not be allowed as assets in any determination of the financial condition of an insurer:

(1) Goodwill, trade names, agency plants and other like intangible assets.

(2) Prepaid or deferred charges for expenses and commissions paid by the insurer except the unaccrued portion of taxes paid prior to due date, on real property acquired or used pursuant to KRS 304.437.

(3) Advances to officers or directors (other than policy loans); and advances to employees, agents and other persons on personal security only.

(4) Stock of such insurer, owned by it, or any equity therein or loans secured thereby, or any proportionate interest in such stock through the ownership by such insurer of an interest in another firm, corporation or business unit.

(5) Furniture, furnishings, fixtures, safes, equipment, vehicles, library, stationery, literature, and supplies; except, such personal property as the insurer is permitted to hold pursuant to item (f) of subsection (1) of KRS 304.437, or which is acquired through foreclosure of chattel mortgages acquired pursuant to KRS 304.435, or which is reasonably necessary for the maintenance and operation of real estate lawfully acquired and held by the insurer other than real estate used by it for home office, branch office, and similar purposes.

(6) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value thereof as determined under this code.

304.367 LIABILITIES: In any determination of the financial condition of an insurer, liabilities to be charged against its assets shall include:

(1) The amount of its capital stock outstanding, if any; and

(2) the amount, estimated consistent with the provisions of this article, necessary to pay all of its unpaid losses and claims incurred on or prior to the date of statement, whether reported or unreported, together with the expenses of adjustment or settlement thereof; and

(3) with reference to life and disability insurance, and annuity contracts,

(a) the amount of reserves on life insurance policies and annuity contracts in force, valued according to the tables of mortality, rates of interest, and methods adopted pursuant to this article which are applicable thereto;

(b) reserves for disability benefits, for both active and disabled lives;

(c) reserves for accidental death benefits, and

(d) any additional reserves which may be required by the commissioner, consistent with usual and customary practice; and

(4) with reference to insurances other than those specified in subsection (3) of this section, and other than title insurance, the amount of reserves equal to the unearned portions of the gross premiums charged on policies in force, computed in accordance with this article; and

(5) taxes, expenses, and other obligations accrued at the date of the statement; and

(6) if the commissioner should require reserves in addition to or greater than reserves as set up by the insurer, the commissioner may grant the insurer a specified reasonable period of time within which to so increase such reserves, if he finds that such an extension of time would not be prejudicial to the interests of the insurer's policyholders.

304.369 UNEARNED PREMIUM RESERVE: (1) With reference to insurance against loss or damage to property, except as provided in KRS 304.370, and with reference to all casualty insurances, disability insurance except as provided in KRS 304.371 and KRS 304.383, and surety insurances, every insurer shall maintain an unearned premium reserve on all policies in force.

(2) The portions of the gross premiums in force, less authorized reinsurance, to be held as an unearned premium reserve, shall be computed according to the following table:

Term for which Policy is in Force	Reserve for unearned premium
One year, or less.....	1/2
Two years	First year 3/4
	Second year 1/4
Three years	First year 5/6
	Second year 1/2
	Third year 1/6
Four years	First year 7/8
	Second year 5/8
	Third year 3/8
	Fourth year 1/8
Five years	First year 9/10
	Second year 7/10
	Third year 1/2
	Fourth year 3/10
	Fifth year 1/10
Over five years	Pro Rata

(3) In lieu of computation according to such table, all of such reserves may be computed, at the insurer's option, on a monthly pro rata basis.

(4) After adopting any one of the methods for computing such reserve an insurer shall not change methods without the commissioner's approval.

304.370 UNEARNED PREMIUM RESERVE—CARGO AND TRANSPORTATION: With reference to insurance on any cargo or property in course of transportation, premiums on trip risks not terminated shall be deemed unearned, and the commissioner may require the insurer to carry a reserve thereon equal to one hundred per cent (100%) on trip risks written during the month ended as of the date of statement.

304.371 RESERVES — NONCANCELLABLE DISABILITY INSURANCE: (1) The legal minimum standard for computing the active life reserve, including the unearned premium reserve, of noncancellable disability policies shall be based on Conference Modification of Class III Disability Experience with interest at not to exceed three and one-half per cent (3½%) per annum on the full preliminary term basis.

(2) For policies with a waiting period of less than three (3) months or providing benefits at ages beyond the limits of Conference Modification of Class III Disability Experience, the tables shall be extended to cover the provisions of such policies on such basis as the commissioner may approve.

(3) The reserve for losses under noncancellable disability policies shall be based on Conference Modification of Class III Disability Experience, except that for claims of less than twenty-seven (27) month's duration the reserve may be taken as equivalent to the prospective claim payments for three and one-half ($3\frac{1}{2}$) times the elapsed period of disability; but in no case shall the reserve be less than the equivalent of seven (7) weeks' claim payments.

(4) The commissioner shall modify the application of the tables and requirements prescribed in this section to policies or to claims arising under policies in accordance with the waiting period contained in such policies and in accordance with any limitations as to the time for which indemnity is payable.

304.372 LOSS RECORDS: An insurer shall maintain a complete and itemized record showing all losses and claims as to which it has received notice, including with regard to property, casualty, and surety insurances, all notices received of the occurrence of any event which may result in a loss.

304.373 INCREASED RESERVES: (1) If the commissioner determines that an insurer's unearned premium reserves, however computed, are inadequate, he may require the insurer to compute such reserves or any part thereof according to such other method or methods as are prescribed in this article.

(2) If the loss experience of an insurer shows that its loss reserves, however estimated, are inadequate, the commissioner shall require the insurer to maintain loss reserves in such increased amount as is needed to make them adequate.

304.375 LOSS RESERVE—LIABILITY INSURANCES: The reserves for outstanding losses and loss expenses under policies of personal injury liability insurance and under policies of employer's liability insurance shall be computed as follows:

(1) For all liability suits being defended under policies written:

(a) Ten (10) years or more prior to the date of determination, one thousand five hundred dollars (\$1,500) for each suit;

(b) Five (5) or more and less than ten (10) years prior to the date of determination, one thousand dollars (\$1,000) for each suit;

(c) Three (3) or more and less than five (5) years prior to the date of determination, eight hundred fifty dollars (\$850) for each suit. In any event the total loss and loss expense reserves for all such liability policies written more than three (3) years prior to the date of determination shall be not less than the aggregate of the estimated unpaid losses and loss expenses under such policies computed on an individual case basis.

(2) For all liability policies written during the three (3) years immediately preceding the date of determination, such reserves shall be the sum of the reserves for each such year, which shall be sixty per cent (60%) of the earned premiums on liability policies written during such year less all loss and loss expense payments made under such policies written in such year. In any event such reserves for each of such three (3) years shall be not less than the aggregate of the estimated unpaid losses and loss expenses for claims incurred under liability policies written in the corresponding year computed on an individual case basis.

304.376 UNALLOCATED LIABILITY LOSS EXPENSE: All unallocated liability loss expense payments shall be distributed as follows:

(1) If made in a given calendar year subsequent to the first four (4) years in which an insurer has been issuing liability policies, thirty-five per cent (35%) shall be charged to the policies written that year, forty per cent (40%) to the policies written in the preceding year, ten per cent (10%) to the policies written in the second year preceding, ten per cent (10%) to the policies written in the third year preceding and five per cent (5%) to the policies written in the fourth year preceding.

(2) If made in each of the first four (4) calendar years in which an insurer issues liability policies, in the first calendar

year one hundred per cent (100%) shall be charged to the policies written in that year; in the second calendar year fifty per cent (50%) shall be charged to the policies written in that year and fifty per cent (50%) to the policies written in the preceding year; in the third calendar year forty per cent (40%) shall be charged to the policies written in that year, forty per cent (40%) to the policies written in the preceding year, and twenty per cent (20%) to the policies written in the second year preceding; and in the fourth calendar year thirty-five per cent (35%) shall be charged to the the policies written in that year, forty per cent (40%) to the policies written in the preceding year, fifteen per cent (15%) to the policies written in the second year preceding and ten per cent (10%) to the policies written in the third year preceding.

A schedule showing such distribution shall be included in the annual statement.

304.378 SCHEDULE OF EXPERIENCE: Any insurer transacting any liability or Workmen's Compensation insurances shall include in its annual statement filed with the commissioner, a schedule of its experiences thereunder in such form as the commissioner may prescribe.

304.379 LOSS RESERVE—WORKMEN'S COMPENSATION INSURANCE: The loss reserve for Workmen's Compensation insurance shall be as follows:

(1) For all compensation claims under policies of compensation insurance written more than three (3) years prior to the date as of which the statement is made, the loss reserve shall be the present values at four per cent (4%) interest of the determined and the estimated future payments.

(2) For all compensation claims under policies of compensation insurance written in the three (3) years immediately preceding the date as of which the statement is made, the loss reserve shall be sixty-five per cent (65%) of the earned compensation premiums of each of such three (3) years, less all loss and loss expense payments made in connection with such claims under policies written in the corresponding years; but in any event such reserve shall be not less than the present value at three and one-half per cent

(3½%) interest of the determined and the estimated unpaid compensation claims under policies written during each of such years.

304.380 UNALLOCATED WORKMEN'S COMPENSATION LOSS EXPENSE: All unallocated Workmen's Compensation loss expense payments shall be distributed as follows:

(1) If made in a given calendar year subsequent to the first three (3) years in which an insurer has been issuing such compensation policies, forty per cent (40%) shall be charged to the policies written in that year, forty-five per cent (45%) to the policies written in the preceding year, ten per cent (10%) to the policies written in the second year preceding and five per cent (5%) to the policies written in the third year preceding.

(2) If made in each of the first three (3) calendar years in which an insurer issues compensation policies, in the first calendar year one hundred per cent (100%) shall be charged to the policies written in that year; in the second calendar year fifty per cent (50%) shall be charged to the policies written in that year, and fifty per cent (50%) to the policies written in the preceding year; in the third calendar year forty-five per cent (45%) shall be charged to the policies written in that year, forty-five per cent (45%) to the policies written in the preceding year and ten per cent (10%) to the policies written in the second year preceding.

A schedule showing such distribution shall be included in the annual statement.

304.381 "LOSS PAYMENTS" — "LOSS EXPENSE" DEFINED: "Loss payments" and "loss expense payments" as used with reference to liability and Workmen's Compensation insurances shall include all payments to claimants, payments for medical and surgical attendance, legal expenses, salaries and expenses of investigators, adjusters and claim field men, rents, stationery, telegraph and telephone charges, postage, salaries and expenses of office employees, home office expenses and all other payments made on account of claims whether such payments are allocated to specific claims or are unallocated.

304.383 STANDARD VALUATION LAW—LIFE:

(1) **Annual Valuation:** The commissioner shall annually value, or cause to be valued, the reserve liabilities (hereinafter called

reserves) for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer doing business in this state (except that in the case of an alien insurer such valuation shall be limited to its United States business), and may certify the amount of any such reserve, specifying the mortality table or tables, rate or rates of interest and methods (net level premium method or other) used in the calculation of such reserves. In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves herein required of any foreign or alien insurer, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standard herein provided and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the commissioner when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction. The cost of making valuations under this section, not to exceed one cent per each one thousand dollars (\$1,000) of insurance, shall be assessed on the insurer whose policies are so valued.

Any such insurer which at any time shall have adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the commissioner, adopt any lower standard of valuation, but not lower than the minimum herein provided.

(2) **Minimum Valuation Standard—Old Policies:** The minimum standard for the valuation of all such policies and contracts issued prior to the operative date of KRS 304.828 (the Standard Non-Forfeiture Law) shall be that provided by the laws in effect immediately prior to such date. Reserves for all such policies and contracts may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by this subsection.

(3) **Minimum Valuation Standard—New Policies:** This subsection shall apply to only those policies and contracts issued on or after the operative date of KRS 304.828 (The Standard Non-Forfeiture Law).

(a) The minimum standard for the valuation of all such policies and contracts shall be the commissioner's reserve valuation method defined in paragraph (b), three and one-half percent interest, and the following tables:

(i) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies—the Commissioners' 1941 Standard Ordinary Mortality Table.

(ii) For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies—the 1941 Standard Industrial Mortality Table.

(iii) For annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies—the 1937 Standard Annuity Mortality Table.

(iv) For total and permanent disability benefits in or supplementary to ordinary policies or contracts—Class Three Disability Table (1926) which, for active lives, shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(v) For accidental death benefits in or supplementary to policies—the Inter-Company Double Indemnity Mortality Table combined with a mortality table permitted for calculating the reserves for life insurance policies.

(vi) For group life insurance, life insurance issued on the substandard basis and other special benefits—such tables as may be approved by the commissioner.

(b) Reserves according to the commissioner's reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value

of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (A) over (B), as follows:

(A) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net level annual premium shall not exceed the net level annual premium on the nineteen year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such policy.

(B) A net one year term premium for such benefits provided for in the first policy year.

Reserves according to the commissioner's reserve valuation method for (1) life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums, (2) annuity and pure endowment contract, (3) disability and accidental death benefits in all policies and contracts, and (4) all other benefits, except life insurance and endowment benefits in life insurance policies, shall be calculated by a method consistent with the principles of this paragraph (b).

(c) In no event shall a company's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits be less than the aggregate reserves calculated in accordance with the method set forth in paragraph (b) and the mortality table or tables and rate or rates of interest used in calculating non-forfeiture benefits for such policies.

(d) Reserves for any category of policies, contracts or benefits as established by the commissioner, may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used shall not be higher than the corresponding

rate or rates of interest used in calculating any non-forfeiture benefits provided for therein. Provided, however, that reserves for participating life insurance policies may, with the consent of the commissioner, be calculated according to a rate of interest lower than the rate of interest used in calculating the non-forfeiture benefits in such policies, with the further proviso that if such lower rate differs from the rate used in the calculation of the non-forfeiture benefits by more than one-half percent the insurer issuing such policies shall file with the commissioner a plan providing for such equitable increases, if any, in the cash surrender values and non-forfeiture benefits in such policies as the commissioner shall approve.

(e) If the gross premium charged by any life insurer on any policy or contract is less than the net premium for the policy or contract according to the mortality table, rate of interest and method used in calculating the reserve thereon, there shall be maintained on such policy or contract a deficiency reserve in addition to all other reserves required by law. For each such policy or contract the deficiency reserve shall be the present value, according to such standard, of an annuity of the difference between such net premium and the premium charged for such policy or contract, running for the remainder of the premium-paying period.

304.385 RESERVE CREDIT FOR REINSURANCE: An insurer may take credit for reserves on risks ceded to a reinsurer to the extent reinsured, except that:

(1) no credit shall be allowed as to reinsurance in an insurer not authorized to transact insurance in at least one state of the United States, or in any reinsurer which has been disapproved by the commissioner, nor unless any tax required by KRS 304.465 as to reinsurance by domestic mutual insurers has been paid.

(2) No credit shall be allowed, as an asset or as a deduction from liability, to any ceding insurer for reinsurance unless the reinsurance is payable by the assuming insurer on the basis of the liability of the ceding insurer under the contracts reinsured without diminution because of the insolvency of the ceding insurer.

A reinsurance agreement may provide that the liquidator or receiver or statutory successor of an insolvent ceding insurer shall give written notice of the pendency of a claim against the insolvent

ceding insurer on the policy or bond reinsured within a reasonable time after such claim is filed in the insolvency proceeding and that during the pendency of such claim any assuming insurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses which it may deem available to the ceding insurer or its liquidator or receiver or statutory successor.

The expense thus incurred by the assuming insurer shall be chargeable subject to court approval against the insolvent ceding insurer as a part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the ceding insurer solely as a result of the defense undertaken by the assuming insurer.

Where two or more assuming insurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of the reinsurance agreement as though such expense had been incurred by the ceding insurer.

304.387 VALUATION OF BONDS: (1) All bonds or other evidences of debt having a fixed term and rate held by any insurer may, if amply secured and not in default as to principal or interest, be valued as follows:

(a) If purchased at par, at the par value.

(b) If purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at the earliest date callable at par or maturing at par and so as to yield in the meantime the effective rate of interest at which the purchase was made; or in lieu of such method, according to such accepted method of valuation as is approved by the commissioner.

(c) Purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase, plus actual brokerage, transfer, postage or express charges paid in the acquisition of such securities.

(d) Unless otherwise provided by a valuation established or approved by the National Association of Insurance Commissioners, no such security shall be carried at above call price for the entire issue during any period within which the security may be so called.

(2) The commissioner shall have full discretion in determining the method of calculating values according to the rules set forth in this section.

304.388 VALUATION OF OTHER SECURITIES: (1) Securities, other than those referred to in KRS 304.387 held by an insurer shall be valued, in the discretion of the commissioner, at their market value, or at their appraised value, or at prices determined by him as representing their fair market value, all consistent with any usual and customary method for the valuation of any such security.

(2) Preferred or guaranteed stocks or shares while paying full dividends may be carried at a fixed value in lieu of market value, at the discretion of the commissioner and in accordance with such method of computation as he may approve.

(3) The stock of a subsidiary of an insurer acquired after the effective date of this code shall be valued on the basis of the value of only such of the assets of such subsidiary as would constitute lawful investments for the insurer if acquired or held directly by the insurer.

304.389 VALUATION OF PROPERTY: (1) Real property acquired pursuant to a mortgage loan or a contract for a deed, in the absence of a recent appraisal deemed by the commissioner to be reliable, shall not be valued at an amount greater than the unpaid principal of the defaulted loan or contract at the date of such acquisition, with accrued interest thereon for not in excess of eighteen (18) months, together with any taxes and expenses paid or incurred in connection with such acquisition, and the cost of improvements thereafter made by the insurer and any amounts thereafter paid by the insurer on assessments levied for improvements in connection with the property.

(2) Other real property held by an insurer shall not be valued at any amount in excess of fair value.

(3) Personal property acquired pursuant to chattel mortgages made under KRS 304.435 shall not be valued at an amount greater than the unpaid balance of principal on the defaulted loan at date of acquisition together with taxes and expenses incurred in con-

nection with such acquisition or the fair value of such property, which ever amount is the lesser.

304.390 VALUATION OF PURCHASE MONEY MORTGAGES: Purchase money mortgages on real property referred to in subsection (1) of KRS 304.389 shall be valued in an amount not exceeding the acquisition cost of the real property covered thereby or ninety per cent (90%) of the fair value of such real property, whichever is less.

ARTICLE ELEVEN

INVESTMENTS

304.400 SCOPE OF ARTICLE: Except as provided in KRS 304.453, this article applies to domestic insurers only. This article shall not apply to title insurers except as stated in article twenty-seven of this code.

304.401 ELIGIBLE INVESTMENTS: (1) Insurers shall invest in or loan their funds on the security of, and shall hold as assets, only eligible investments as prescribed in this article.

(2) Any particular investment held by an insurer on the effective date of this code and which was a legal investment at the time it was made, shall be deemed a legal investment hereunder.

(3) The eligibility of an investment shall be determined as of the date of its making or acquisition.

(4) Any limitation based upon the amount of the insurer's assets shall relate to assets as shown by the insurer's annual statement as of the December 31st preceding date of investment.

304.402 GENERAL QUALIFICATIONS: No provision of this article shall prohibit the acquisition by an insurer of other or additional securities or property if received as a dividend or as a lawful distribution of assets, or if acquired pursuant to a lawful and bona fide agreement of bulk reinsurance, merger, or consolidation. Any investments so acquired which are not otherwise eligible under this article, shall be disposed of pursuant to KRS 304.450 if personal property or securities, or pursuant to KRS 304.449 if real property.

304.403 INVESTMENT LIMIT, ANY ONE PERSON: (1) Except as otherwise expressly limited, an insurer shall not have at

any time any combination of investments in or loans upon the security of the obligations, property, and securities of any one person, institution, or municipal corporation aggregating an amount exceeding four per cent (4%) of the insurer's assets. This section shall not apply to investments in, or loans upon the security of general obligations of the government of the United States or of any state of the United States, not to investments in foreign securities pursuant to KRS 304.406, nor include policy loans made pursuant to KRS 304.429.

(2) Subject to the general limitation set forth in subsection (1) of this section, an insurer shall not at any one time, in any manner, own, or have loaned upon the security of, over five per cent (5%) of the outstanding voting stock of any corporation.

304.404 UNITED STATES OBLIGATIONS: Any insurer may invest its funds in bonds, notes, warrants and other securities which are the direct obligations of the Government of the United States of America, or for which the faith and credit of such Government are pledged for the payment of principal and interest.

304.406 STATE, CANADIAN AND PROVINCIAL OBLIGATIONS: Subject to the limitation as to amount set forth in subsection (2) of KRS 304.408, an insurer may invest its funds in the bonds, notes, warrants and other securities which are the direct obligations of any state of the United States or of the District of Columbia, or of the Government of Canada or any province thereof, or for which the full faith and credit of such state, District, Government or province has been pledged for the payment of principal and interest, if no default on the part of the issuer in payment of principal or interest has occurred on any of its bonds, notes, warrants or other securities within five (5) years prior to the date of investment therein.

304.407 COUNTY, MUNICIPAL, SCHOOL OBLIGATIONS: Subject to the limitations as to amount set forth in subsection (2) of KRS 304.408, an insurer may invest its funds in the bonds, notes, warrants and other securities of any county, incorporated city, or school district in any state of the United States, or the District of Columbia, or in any province of Canada, which are the direct obligations of such county, District, city, or school district and for payment of the principal and interest of which the county, District,

city, or school district has lawful authority to levy taxes or make assessments, if within the five (5) years immediately preceding the date of investment, the county, District, city, or school district has not defaulted in the payment of principal or interest of any of its bonds, notes, warrants or other securities.

304.408 PUBLIC IMPROVEMENT BONDS: (1) An insurer may invest its funds in bonds which are payable from revenues or earnings specifically pledged therefor of any public toll bridge, structure, or improvement owned by any state, incorporated city, or legally constituted public corporation or commission, all within the United States, for the payment of the principal and interest of which a lawful sinking fund has been established and is being maintained, and if no default on the part of the issuer in payment of principal or interest has occurred on any of its bonds, notes, warrants or other securities, within five years prior to the date of investment therein.

(2) An insurer may not invest or have invested at any one time, more than twenty-five per cent (25%) of its assets in all securities provided for in this section and in KRS 304.406 (State, Canadian, Provincial Obligations) and 304.407 (County, Municipal and School Obligations).

304.411 PUBLIC UTILITY SECURITIES: An insurer may invest and have invested at any one time not in excess of an aggregate of twenty per cent (20%) of its assets in the bonds or other evidences of indebtedness of any telegraph or telephone corporation, or corporation engaged in furnishing gas, electricity, heat, light, power, water or transportation directly or indirectly, to the public in a city in the United States or Canada, adequately secured by first mortgage or pledge of property of the corporation issuing them, or by adequate collateral, and in any such corporation's debentures subject to the same qualifications as are stated in subsections (3) and (4) of KRS 304.415, if:

(1) No default in payment of principal or interest on the bonds or other evidences of indebtedness to be purchased has occurred within five years of the date of investment therein, or, if such bonds or other evidences of indebtedness were issued less than five years prior to the date of investment therein, since issuance; and

(2) The issue has been approved by the proper public authority if such approval was required by law at the time of issue.

304.412 RAILROAD SECURITIES: An insurer may invest and have invested at any one time not in excess of an aggregate of ten per cent (10%) of its assets in the bonds or other evidences of indebtedness of terminal, belt line and railroad companies in the United States or Canada, adequately secured by first mortgage or pledge of property of the corporation issuing them, or held in trust for its use or benefit, or by adequate collateral so secured, and in any such corporation's debentures subject to the same qualifications as are stated in subsections (3) and (4) of KRS 304.415, if:

(1) No default in payment of principal or interest on the bonds or other evidences of indebtedness to be purchased has occurred within five years of the date of investment therein, or, if such bonds or other evidences of indebtedness were issued less than five years prior to the date of investment therein, since issuance; and

(2) the issue thereof has been approved by the proper public authority if such approval was required by law at the time of issue.

304.413 RAILROAD EQUIPMENT SECURITIES: An insurer may invest and have invested at any one time not in excess of ten per cent (10%) of its assets in equipment securities evidencing rights to receive partial payments agreed to be made upon any contract of leasing or conditional sale of rolling stock for use by companies operating railroads in the United States or Canada, if:

(1) No default in payment of interest or principal of such securities has occurred within five years of the date of the investment therein, or since issuance, if such securities were issued within such five year period; and

(2) if the issue thereof has been approved by the proper public authority where such approval was required by law at the time of issue.

304.415 SECURITIES OF OTHER CORPORATIONS: An insurer may invest and have invested at any one time not in excess of an aggregate of twenty per cent (20%) of its assets in bonds, notes or debentures of solvent corporations, other than corporations referred to in KRS 304.411, 304.412, 304.413, existing under the laws of the United States or any state thereof, if:

(1) No default in payment of interest or principal on the bonds, notes or debentures to be purchased has occurred within five (5) years of the date of investment therein, or, if such bonds, notes or debentures were issued less than five years prior to the date of investment therein, since issuance; and

(2) such corporation and its predecessor organization or organizations, if any, have been in existence for ten years; and

(3) no part of the property of such corporation is subject to any lien or other obligation (except current taxes, mechanic's liens, and equipment trust certificates) entitled to priority of payment over said bonds, notes, or debentures; and

(4) the instrument evidencing such bond, note, or debenture provides that if the corporation at any time mortgages, pledges or otherwise subjects to any lien the whole or any material part of the property or assets owned by it, or thereafter acquired by it, it will secure the outstanding notes, bonds, or debentures ratably with the indebtedness secured by such mortgage, pledge, or lien, except that this provision shall not apply as to:

(a) purchase money mortgages and purchase money liens;

(b) pledges to or deposits with any court or government or agency thereof, and

(c) pledges to secure indebtedness incurred in the ordinary course of business and maturing in not more than one year.

304.417 PREFERRED STOCKS: An insurer may invest and have invested at any one time not in excess of an aggregate of ten per cent (10%) of its assets in securities provided for in KRS 304.418 (Bank Stocks) and in preferred stocks of any company organized under the laws of the United States, a state of the United States, or the District of Columbia, if such company has continuously and regularly paid the dividends provided for by such preferred stock during the five years preceding the investment; except, that with respect to preferred stocks issued within such five year period, the foregoing requirements as to dividend payments shall apply only from the date of issuance, and in such cases the net earnings of the company and its subsidiaries available for fixed charges of the company and its subsidiaries and the net earnings of any predecessor organizations and their subsidi-

aries, if any, available for fixed charges of such predecessor organizations and their subsidiaries, must have averaged an amount per annum for the five fiscal years preceding the making of the investment at least equal to two times the total of the annual interest charges (including amortization of debt discount and expense) and dividends guaranteed, if any, and the preferred dividend requirement on a pro forma basis.

For the purposes of this section, the term "net earnings available for fixed charges" means net income after deducting operating and maintenance expenses, taxes other than federal and state income taxes, depreciation and depletion, but excluding extraordinary non-recurring items of income or expense appearing in the regular financial statements of the issuing company.

304.418 BANK STOCKS: (1) An insurer may invest in the stocks of state or national banks and trust companies, if:

(a) such bank or trust company has been in existence for five years previous to the investment, and

(b) such stock is not subject to assessment for double liability.

(2) An insurer may accept any such stock as collateral on a loan irrespective of such double liability.

(3) Investments under this section together with investments in preferred stocks under KRS 304.417 shall not exceed ten per cent (10%) of the insurer's assets.

304.419 COMMON STOCKS: An insurer other than a life insurer may invest and have invested its funds in dividend-paying common stocks of solvent corporations not less than five years old at the time of the investment, organized and existing under the laws of the United States or a state of the United States, or Canada or any province thereof, not in excess of the following amounts:

(1) If a stock insurer, the amount of its surplus and capital in excess of the minimum capital required of it under this code.

(2) If a mutual or reciprocal insurer, an amount equal to that part of its surplus in excess of its minimum required surplus.

304.420 INSURANCE STOCKS: An insurer other than a life insurer may invest and have invested its funds in the common

stocks of solvent stock insurers organized and existing under the laws of any state of the United States or any province of Canada, not in excess of the following amounts:

(1) If a stock insurer, the amount of its surplus and capital in excess of the minimum capital required of it under this code.

(2) If a mutual or reciprocal insurer, an amount equal to that part of its surplus in excess of its minimum required surplus.

304.422 PROTECTIVE AGREEMENTS AND REORGANIZATION SECURITIES: (1) An insurer may enter into an agreement for the purpose of protecting its interests in securities lawfully held by it, or for the purpose of reorganization of the corporation which issued or is obligated on account of such securities, and may deposit such securities with a committee appointed under such an agreement.

(2) An insurer may accept corporate stocks, bonds, or other securities distributed pursuant to any such agreement or reorganization. Any securities so received which are otherwise ineligible as investments of the insurer shall be disposed of as provided in KRS 304.450.

304.424 DEPOSITS IN BANKS, SAVINGS AND LOAN: (1) An insurer may have as assets any of its cash funds on deposit in checking or savings account, under certificates of deposit or in any other form in banks and trust companies which have qualified for the insurance protection afforded by the Federal Deposit Insurance Corporation.

(2) An insurer may invest or deposit any of its funds in share or savings accounts of Federal Savings and Loan Associations which have qualified for the protection afforded by the Federal Savings and Loan Insurance Corporation; and in any domestic State Savings and Loan Associations which are eligible for the protection afforded by the Federal Savings and Loan Insurance Corporation.

(3) An insurer authorized to transact insurance in a foreign country may deposit and maintain on deposit in such country such funds as may be required for such authority and for the transaction of such business, but no such deposits shall be deemed assets of the insurer for the purposes of this code.

304.425 SURPLUS INVESTMENTS EXEMPT FROM CERTAIN LIMITATIONS: The percentage limitations set forth in subsection (2) of KRS 304.403 (Investment Limit, Any one Person), subsection (2) of KRS 304.408 (Public Improvement Bonds), 304.411 (Public Utility Securities), 304.412 (Railroad Securities), 304.413 (Railroad Equipment Securities), 304.415 (Securities of Other Corporations), 304.417 (Preferred Stocks) and 304.418 (Bank Stocks), shall not limit the investment by an insurer, other than a life insurer, of that part of its funds representing the excess of its surplus as to policyholders over the minimum capital funds required of such insurer under this code.

304.426 SECURITIES OF INTERNATIONAL BANK: An insurer may invest its funds in obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development.

304.428 SECURITIES OF FEDERAL AGENCIES: (1) An insurer may invest its funds in the bonds, debentures or other securities of:

(a) Federal Land Banks, issued under provisions of the Act of Congress entitled the "Federal Farm Loan Act" and approved July 17, 1916, and any Acts amendatory or supplemental to that Act.

(b) Any Federal Home Loan Bank, issued under provisions of the Act of Congress entitled the "Federal Home Loan Bank Act" and approved July 22, 1932.

(c) The Home Owners' Loan Corporation, created by the Act of Congress entitled "Home Owners' Loan Act of 1933", and approved June 13, 1933.

(d) Federal Intermediate Credit Banks, created by the Act of Congress entitled "Agricultural Credits Act of March 4, 1923."

(e) Public Housing Authorities, issued under the provisions of the Act of Congress entitled the "Housing Act of 1949" and approved July, 1949; the Municipal Housing Commission Act or the Rural Housing Commission Act, and any additional amendments or issued by any public housing authority or agency in the United States, if such bonds, debentures or other securities are secured by a pledge of annual contributions to be paid by the United States or any agency thereof.

(2) If any class of such bonds is secured, as to payment of principal and interest, by pledge of the faith and credit of the United States, such class of bonds shall be deemed to be eligible for investment under KRS 304.404 and shall not be included within the limitation as to amount invested as set forth in KRS 304.441.

304.429 POLICY LOANS: A life insurer may loan to its policyholder upon the pledge of the policy as collateral security, any sum not exceeding the cash surrender value specified in the policy.

304.430 COLLATERAL LOANS: (1) An insurer may loan its funds upon the pledge of securities or evidences of debt eligible for investment under this article. As of date made, no such loan shall exceed in amount eighty per cent (80%) of the market value of such collateral pledged.

(2) The amount so loaned shall be included in the maximum percentage of funds permitted under this article to be invested in the kinds of securities or evidences of debt pledged.

304.431 MORTGAGE LOANS AND CONTRACTS: (1) An insurer may invest its funds in:

(a) (I) Bonds, notes or other evidences of debt which are secured by first mortgages, liens, or deeds of trust on fee simple, unencumbered, improved or income producing real property located in the United States or in Canada;

(II) chattel mortgages in connection therewith pursuant to KRS 304.435;

(III) the equity of the seller of any such property, in the contract for a deed, covering the entire balance due on a bona fide sale of such property, in amount not to exceed ten thousand dollars (\$10,000) or the amount permissible under KRS 304.403, whichever is greater, in any one such contract for deed, nor in excess of an amount equal to two-thirds of the actual sale price or fair value of the property, whichever is the smaller.

(b) Purchase money mortgages, vendor's liens, or like securities received by it upon the sale of real property acquired pursuant to KRS 304.437.

(c) Bonds or notes secured by mortgage or trust deed guaranteed or insured by, and debentures issued by, the Federal Housing

Administrator under the terms of an Act of Congress of the United States for June twenty-seventh, nineteen hundred thirty-four, entitled the "National Housing Act," as amended.

(d) Bonds or notes secured by mortgages or trust deed of real property, guaranteed or insured as to principal in whole or in part by the Administrator of Veteran's Affairs pursuant to the provisions of Title III of an Act of Congress of the United States of June twenty-second, nineteen hundred forty-four, entitled the "Servicemen's Readjustment Act of 1944", as amended

(2) No one such mortgage loan or investment shall exceed two per cent (2%) of the insurer's assets or five thousand dollars (\$5,000), whichever is greater.

304.432 MORTGAGE LIMITED BY PROPERTY VALUE: (1) No mortgage loan or investment therein upon any one parcel of real property shall exceed, at the time of acquisition, sixty-six and two-thirds per cent (66-2/3%) of the fair value of the property, as shown by a valuation and appraisal in writing made under oath by at least two competent and impartial appraisers. This provision shall not apply as to purchase money mortgages.

(2) The extent to which a mortgage loan made under items (c) or (d) of subsection (1) of KRS 304.431 is guaranteed or insured by the Federal Housing Administration or guaranteed by the Administrator of Veterans' Affairs may be deducted before application of the limitation contained in this section.

(3) Nothing in this section shall be deemed to prohibit an insurer from renewing or extending a mortgage loan for the original or a less amount even though such amount is greater than two-thirds of the current fair value of the real property subject to such mortgage.

304.433 "ENCUMBRANCE" DEFINED: The following shall not be considered as prior liens or encumbrances on real property within the meaning of subsection (1) of KRS 304.431: Leasehold estates of any duration; reservations or exceptions of timber, coal, gas, oil and other mineral rights; rights of way, servitudes, joint driveways, easements, party-wall agreements; current taxes and assessments not delinquent; restrictions or conditions as to building, use and occupancy if there is not a right of reentry or forfeiture

for violation, or if there is protection against an such right of re-entry or forfeiture through a policy of title insurance.

304.434 INSURANCE ON PROPERTY: If the fair value of the land mortgaged, exclusive of structures thereon, is not fifty per cent (50%) more than the amount loaned thereon, such structures shall be kept insured against damage or loss by fire in favor of the mortgagee, in an amount not less than the difference between two-thirds of the value of the land, exclusive of structures, and the amount loaned, or for the insurable value of such structures, whichever is the lesser, and the policy or policies shall be payable to and held by the lender or a trustee for its benefit and continued in force as long as the loan continues.

304.435 CERTAIN CHATTEL MORTGAGES: (1) In connection with a mortgage loan on the security of real property designed and used primarily for residential purposes only, acquired pursuant to KRS 304.431, an insurer may loan or invest an amount not exceeding twenty per cent (20%) of the amount loaned on or invested in such real property mortgage, on the security of a chattel mortgage for a term of not more than five (5) years representing a first and prior lien, except for taxes not then delinquent, on personal property constituting durable equipment owned by the mortgagor and kept and used in the mortgaged premises.

(2) The term "durable equipment" shall include only mechanical refrigerators, mechanical laundering machines, heating and cooking stoves and ranges, mechanical kitchen aids, vacuum cleaners, and fire extinguishing devices; and in addition in the case of apartment houses and hotels, room furniture and furnishings.

(3) Prior to aquisition of a chattel mortgage, items of property to be included shall be separately appraised by a competent appraiser and the fair market value thereof determined. No such chattel mortgage loan shall exceed in amount the same ratio of loan to the value of the property as is applicable to the companion loan on the real property.

304.437 REAL PROPERTY OWNED: (1) An insurer shall own or have its funds invested in ownership and repair, alteration, furnishing, or improvement of the following real property only:

(a) The building in which is located its home office and the

land upon which it is situated, together with such other real property as is requisite for its accommodation in the convenient transaction of its business, all subject to the provisions of KRS 304.438.

(b) Real property acquired in satisfaction or on account of loans, mortgages, liens, judgments, or other debts previously owing to the insurer in the course of its business.

(c) Real property acquired by gift or devise.

(d) Unencumbered real property acquired in exchange for real property owned by it. If necessary in order to consummate such an exchange, the insurer may put up cash in amount not to exceed twenty per cent (20%) of the fair value of its real property to be so exchanged, in addition to such property.

(e) Real property acquired through a lawful merger or consolidation with it of another insurer and not required for the purposes specified in item (a) of this subsection.

(f) Upon approval of the commissioner, real property and equipment incident to real property, requisite or desirable for the protection or enhancement of the value of other real property owned by the insurer.

(2) Except as provided in KRS 304.438, an insurer shall not have invested in any one parcel or related parcels of real property, acquired subsequent to June 14, 1934, or in the repair, alteration, furnishing, or improvement thereof, any of its funds in excess of five per cent (5%) of its assets.

304.438 REAL PROPERTY FOR HOME OFFICE AND BRANCH OFFICES: (1) Upon approval of the commissioner an insurer may invest its funds in real property for use as its home office, or for branch offices, and may sublet to others space in any such property not currently required for its needs.

(2) An insurer may so invest and be committed for investment in all such real property an amount not in excess of ten per cent (10%) of its assets.

304.441 AGGREGATE LIMITATION, MORTGAGE, REAL PROPERTY INVESTMENTS: An insurer shall not invest or have invested at any one time funds aggregating in excess of sixty per

cent (60%) of its assets in all of the following categories of investments:

(1) Mortgage loans on real property, chattel mortgages in connection therewith, and real estate contracts for a deed.

(2) Bonds of the Federal Land Bank, Federal Home Loan Bank, or Home Owners' Loan Corporation, except as to such bonds as qualify as general obligations of the United States under KRS 304.404.

(3) All real property owned, however acquired, and equipment incident thereto.

304.444 PROHIBITED INVESTMENTS: In addition to investments excluded under other provisions of this code, an insurer shall not invest in or loan its funds upon the security of:

(1) Issued shares of its own capital stock, except for the purpose of mutualization.

(2) Securities issued by an insolvent corporation.

(3) Any investment or security which is found by the commissioner to be designed to evade any prohibition of this code.

304.446 AUTHORIZATION OF INVESTMENTS: An insurer shall not make any loan or investment without approval of its finance or executive committee, or the approval of a majority of its directors present at a duly held meeting of directors. The secretary shall enter the approval or disapproval of each such director on the insurer's records.

304.448 PROHIBITED FEES, INTEREST, OR GUARANTY: No director or officer of any insurer shall receive any money or thing of value for negotiating, procuring, recommending or aiding in any purchase or sale by the insurer of any property or investment, or any loan from or to the insurer, not be pecuniarily interested, either as principal, co-principal, agent, or beneficiary, in any such purchase, sale, or loan, nor shall such insurer guarantee in any manner any financial obligation of any such officer or director.

304.449 TIME LIMIT FOR DISPOSAL OF REAL PROPERTY: (1) Real property acquired by an insurer pursuant to paragraph (a) of subsection (1) of KRS 304.437, shall be disposed

of within four (4) years after it has ceased being used by the insurer in the transaction of its business. Real property acquired by an insurer pursuant to such loans, mortgages, liens, judgments, or other debts, or pursuant to paragraphs (b), (c), (d), and (e) of subsection (1) of KRS 304.437 shall be disposed of within five (5) years after date of acquisition. The time for any such disposal may be extended by the commissioner for a definite additional period or periods upon application and proof that forced sale of the property, otherwise necessary, would be against the best interests of the insurer.

(2) Any such real property held by the insurer without the commissioner's consent beyond the time permitted for its disposal shall not be carried or allowed as an asset.

(3) All property held by an insurer under this section shall be deemed to be property that is proper and necessary for carrying on its legitimate business within the meaning of KRS 271.145.

304.450 TIME LIMIT FOR DISPOSAL OF OTHER INELIGIBLE PROPERTY AND SECURITIES: (1) Any personal property or securities lawfully acquired by an insurer, which it could not otherwise have invested in or loaned its funds upon at the time of such acquisition, shall be disposed of by the insurer within four (4) years from date of acquisition, unless within such period the security has attained to the standard for eligibility. The commissioner, upon application and proof that forced sale of any such property or security would be against the best interests of the insurer, may extend the disposal period for an additional reasonable time.

(2) Any such property or security held by an insurer after expiration of the period for disposal thereof or any extension of such period granted by the commissioner, shall not be allowed as asset of the insurer.

(3) Any ineligible investment unlawfully acquired by an insurer shall be disposed of, and for failure so to do within thirty (30) days after order of the commissioner requiring such disposal, the commissioner may revoke or suspend the insurer's certificate of authority.

(4) For the purposes of subsection (3) of this section, an in-

vestment otherwise eligible shall not be deemed ineligible for the reason that it is in excess of the amount permitted under this article to be invested in the category of investments to which it belongs; and any such excess investment shall be disposed of within the time prescribed in subsection (1) of this section.

304.453 INVESTMENTS OF FOREIGN, ALIEN INSURERS:
Foreign and alien insurers transacting insurance in this state shall have assets of the same general character as specified for domestic insurers, except that other investments authorized by the law of such an insurer's state of domicile or of entry into the United States, if an alien insurer, may be recognized as assets in the discretion of the commissioner.

ARTICLE TWELVE

FEEES AND TAXES

304.460 FILING, LICENSE AND MISCELLANEOUS FEES:
The commissioner shall collect in advance, and persons so served shall pay in advance to the commissioner, fees, licenses, and miscellaneous charges as follows:

(1) *Annual Statement of Insurer:*

(a) Filing, each year \$25.00

(b) Filing additional or supplemental statement in same year \$25.00

(2) *For filing charter documents:*

(a) Original charter documents, by-laws and records of organization of insurers, or certified copies thereof, required to be filed \$30.00

(b) Amended charter documents, or certified copy thereof, no additional charge.

(3) *Certificate of Authority:*

(a) Issuance of original certificate \$25.00

(b) Renewal, each year \$ 1.00

(4) *Organization of Domestic Insurers:*

(a) Filing application for solicitation permit and issuance of such permit, mutual insurers \$10.00

(5) *Agent's Licenses, Foreign and Alien Insurers:*

(a) License for life insurer, whether or not disability insurance is included, each year \$ 5.00

(b) License for industrial life insurer only, each year \$ 2.00

(c) License for other insurance, each insurer represented, each year \$ 3.00

(d) Limited license as travel insurance agent, each year \$ 2.00

(e) Temporary license as Agent \$ 3.00

(f) Nonresident agent \$10.00

(6) *Broker's License:*

(a) Surplus line broker, each year \$25.00

(7) *Solicitor's License*, each year \$ 3.00

(8) *Adjuster's License:*

(a) Independent adjuster, each year \$10.00

(b) Public adjuster, each year \$10.00

(9) *Examination, for or in connection with licensing of agents, solicitors, and adjusters:*

(a) Each examination \$ 3.00

(10) *Miscellaneous Services:*

(a) Filing other documents, each \$ 1.00

(b) Commissioner's certificate under seal, other than certificates, licenses, and other documents above provided for, each \$ 1.00

(c) For copies of any document on file with the commissioner, per folio \$.20

The commissioner shall promptly pay into the State Treasury all such fees, licenses, and charges collected by him.

304.465 TAX AS TO AUTHORIZED REINSURANCE: Each domestic mutual insurer shall file with the commissioner each year as a part of its annual statement, a report showing the premiums paid by it during the preceding calendar year to all reinsurers, and shall accompany such report with payment to this state of a tax of two per cent (2%) of the amount of premiums so paid to in-

surers not authorized to transact business in this state at the time such reinsurance was so ceded.

304.467 REVOCATION OF AUTHORITY FOR FAILURE TO PAY: The commissioner may revoke the certificate of authority of any insurer which fails to pay when due, any taxes, fees, licenses and other charges owing to this state. The commissioner shall likewise revoke the license of any agent, broker, solicitor, or adjuster as to whom, any tax or fee required under this code has not been paid when due.

ARTICLE THIRTEEN DEPOSITS OF INSURERS

304.475 DEPOSITS OF INSURERS: (1) All deposits of assets of insurers required or permitted under this code and made in this state shall be made and maintained with the Custodian of Insurance Securities of this state, hereinafter called "custodian."

(2) In addition to deposits required for an insurer's authority to transact insurance in this state, an insurer may deposit and maintain with the custodian deposit of assets:

(a) Required of an insurer by the laws of other states as prerequisite for authority to transact insurance in such other states.

(b) Required by application of the retaliatory provision, KRS 304.110.

(c) In such additional amounts as is permitted by this article, or as expressly required by this code.

304.476 FOR POLICYHOLDERS AND STATES: (1) All such deposits shall be held by the custodian in trust for the benefit and protection of all of the insurer's policyholders and creditors in the United States.

(2) The deposit of a domestic insurer shall further be security for payment of taxes, assessments, forfeitures, fines, or other charges due and unpaid to this state or any other state in which the insurer has been authorized to transact insurance, and may be applied to such extent as may be necessary for such payment.

(3) Except, that deposits required pursuant to the retaliatory provision, KRS 304.110 may be limited to such uses and purposes as is consistent with such provisions.

304.477 ASSETS ELIGIBLE FOR DEPOSIT: Kinds of assets may be deposited by an insurer as follows:

(1) Title to unencumbered real property lawfully acquired and held by the insurer under this code.

(2) Lawful money of the United States, and other securities of kinds in which the insurer may lawfully invest its funds under this code.

304.478 HOME OFFICE REAL PROPERTY AS DEPOSIT:

(1) The commissioner may accept the home office real property of a domestic insurer as a part of any deposit of assets required of the insurer under this code. For such purpose the insurer shall convey such real property by deed to the commissioner, and the deed shall be duly recorded and deposited with the custodian.

(2) Real property so deposited shall not be sold or further encumbered by the insurer except upon advance approval of the commissioner after full submission of the purposes and detail of any such sale or encumbrance to the commissioner. The commissioner shall join in the execution of any deed or other document required to consummate such sale or encumbrance. Upon any such sale or encumbrance the insurer shall deposit other assets in lieu of such real property.

(3) Such real property shall be valued at its fair value as determined by the commissioner.

304.479 OTHER REAL PROPERTY AS DEPOSIT: (1) The insurer's policyholders and creditors in the United States, and this state and other states in which the insurer is authorized to transact insurance, shall have a first lien upon other real property, of which the evidence of the insurer's title is deposited by the insurer. The commissioner shall file proper notice of such lien with the county clerk of the county in which any such property is located.

(2) Such real property shall not be withdrawn, sold, or further encumbered unless other eligible assets of equal or greater value are deposited by the insurer in lieu thereof. Upon any such withdrawal, sale, or encumbrance the commissioner shall execute a proper release of such property, which release shall be recorded in the office of such county clerk.

(3) For the purpose of determining the amount of deposit, such real property shall be valued at sixty per cent (60%) of its fair value as determined by the commissioner.

304.484 CUSTODIAN OF INSURANCE SECURITIES: (1) The Custodian of Insurance Securities shall be appointed by the Governor, in accordance with laws governing other executive appointments. He shall receive a salary of three hundred dollars (\$300.00) per month, payable as are salaries of other employees of this state, but out of custodial expense funds provided by insurers pursuant to KRS 304.503.

(2) The custodian shall receive in his official capacity, all deposits made with him pursuant to this code.

(3) The custodian shall be available at all reasonable times in the branch office of the Department of Insurance maintained in a city of the first class.

304.485 CUSTODIAN'S DUTIES, BOND: (1) The custodian shall keep, deposit, account for and surrender, faithfully and in the manner provided by law, all assets so received by him or in his official custody.

(2) The custodian shall give to the state a bond in the penal sum of one hundred thousand dollars (\$100,000) for the use and the benefit of insurers making deposits, their policyholders and creditors, and states secured by such deposit, conditioned upon proper discharge of his duties. The bond shall be one issued by an insurer authorized to transact such insurance in this state, and its form shall be subject to the approval of the Attorney General. Premiums on the bond shall be payable by this state out of custodial expense funds.

304.487 COMMONWEALTH NOT LIABLE FOR SAFEKEEPING: The Commonwealth of Kentucky shall not be liable for the safe custody of any assets deposited by an insurer.

304.489 DEPOSITORIES: (1) The commissioner shall designate at least one but not more than three banks or trust companies in each county of this state containing a city of the first class, whose vaults shall be used as depositories for assets of insurers deposited under this code.

(2) Each insurer depositing assets shall, at its own expense, rent space therefor in the vaults of the banks or trust companies so designated.

304.490 RECORD OF DEPOSITS: As to each insurer making or having a deposit the commissioner and custodian shall keep a complete record thereof showing:

- (1) The particular assets so deposited;
- (2) The face value, if any, of any such asset, and the value thereof as determined by the commissioner;
- (3) Date of deposit, and place thereof;
- (4) Assets withdrawn, date thereof, value of assets so withdrawn, and name and address of any person to whom such assets were delivered; and
- (5) Such other information as the commissioner deems necessary.

304.492 INVENTORY, CERTIFICATE: (1) The commissioner may at any time inventory assets on deposit as to any insurer. Upon request of the insurer the commissioner shall make such an inventory at the insurer's expense, and shall furnish the insurer a copy thereof. All inventories shall be made in the presence of the commissioner and two representatives of the insurer designated for the purpose by its board of directors.

(2) Upon request, the custodian shall give to any insurer depositing assets a certificate thereof describing the assets and setting forth their par value, if any, and their value, which valuation shall be subject to the approval of the commissioner.

304.493 VALUATION; REPLENISHMENT: (1) All assets deposited shall be valued by the commissioner when deposited, such valuation to be determined in accordance with the applicable provisions of this code.

(2) If at any time the commissioner finds that the value of assets on deposit by an insurer is less than the amount required for the purpose for which the deposit was made, he shall by registered mail addressed to the insurer at its home office, notify the insurer of such deficiency and require that the deficiency be cured within thirty (30) days from the date of such mailing. The commissioner may suspend or revoke the certificate of authority of any insurer failing to cure any such deficiency within such thirty (30) days.

304.494 VOLUNTARY EXCESS DEPOSIT: An insurer may deposit and maintain on deposit assets in value exceeding the amount otherwise required under this code, for the purpose of absorbing fluctuations in value of its required deposit, and to facilitate exchange and substitution of assets in such required deposit. During the solvency of the insurer any such excess deposit or any part

thereof shall be released to the insurer upon its request. During the insolvency of the insurer such excess deposit shall be released only as provided in KRS 304.499.

304.495 DIVIDENDS, EXCHANGE: (1) While solvent and complying with this code an insurer shall be entitled

(a) to collect and receive interest, dividends, and payments accruing upon assets so held on deposit for its account, and

(b) from time to time to exchange and substitute for any of such assets, other assets eligible for deposit.

(2) If the insurer fails to cure a deficiency when required, is insolvent, is subject to delinquency proceedings, or is in default as to taxes or other charges due to this state under law, the commissioner shall collect such interest, dividends, and payments and add them to the insurer's deposit.

304.497 LEVY OF EXECUTION: (1) If a judgment has been recovered against an insurer having a deposit of assets under this code, upon a policy issued by such insurer, and an execution issued upon the judgment has been returned wholly or partly unsatisfied, any court of competent jurisdiction in this state shall, upon motion made by the plaintiff in the execution, and three days' notice to the insurer, order the commissioner and custodian to deliver into court an amount of the assets on deposit sufficient to satisfy the judgment in full, or so much thereof as such assets will suffice. Obedience of such order shall release this state and the commissioner and custodian from all liability as to assets so delivered.

(2) Assets so delivered into court shall be collected or disposed of for the benefit of the plaintiff as provided by law in respect to notes or securities delivered into court by a garnishee.

(3) If after such withdrawal of assets the insurer's deposit is below the required amount, the insurer shall within ten (10) days after such withdrawal deposit with the custodian other eligible assets sufficient to remedy the deficiency. If the insurer fails so to do, the commissioner shall proceed against it as an insurer believed by him to be insolvent or in unsound condition.

304.499 RELEASE OF DEPOSIT: (1) Any such required deposit shall be released, in addition to circumstances already provided for, in these instances only:

(a) upon extinguishment of substantially all liabilities of the insurer for the security of which the deposit is held, by reinsurance contract or otherwise.

(b) if such deposit is no longer required under this code.

(c) if the deposit was made pursuant to the retaliatory provision, KRS 304.110, it shall be released in whole or in part when no longer so required.

(d) upon proper order of a court of competent jurisdiction the deposit shall be released to the receiver, conservator, rehabilitator, or liquidator of the insurer.

(2) No such release shall be made except on application to and written order of the commissioner made upon proof satisfactory to him of the existence of one of such grounds therefor. The custodian shall release the deposit upon such order of the commissioner. The commissioner shall not have any personal liability for any such release of any deposit or part thereof so ordered by him in good faith.

(3) All releases of deposits or any part thereof shall be made to the person then entitled thereto upon proof of right satisfactory to the commissioner.

304.501 ACCESS, REMOVAL: (1) Access shall not be had to the vaults wherein the assets are deposited, nor shall any such assets be removed therefrom, except upon the written order of at least two officers authorized for the purpose by the insurer's board of directors or other governing body, which order must have been approved by the commissioner.

(2) The vaults wherein assets are deposited shall be opened and assets deposited or removed only in the joint presence of the custodian and two representatives of the insurer authorized for the purpose by the insurer's board of directors or other governing body.

(3) Except, that the vaults may be opened and assets deposited or removed under the direction and upon the order of a court of competent jurisdiction, and in the presence of the custodian.

304.503 CUSTODIAL EXPENSE FUND: (1) Insurers maintaining deposit of assets in this state under this article shall pay in to the Treasury of the Commonwealth, through the office of the Commissioner of Insurance, fifty-four hundred dollars (\$5400.00) each calendar year, as a custodial expense fund. Such fund shall be

used in paying the custodian's salary, the premium on his bond, and other necessary expenses incident to the office used by the custodian. The total gross annual expenses of the custodian's office shall not exceed such sum of fifty-four hundred dollars (\$5400.00).

(2) The portion of such expense fund to be paid by each such insurer shall be in the same approximate proportion as the amount of the insurer's average deposit during the calendar year bears to the total such deposits of all insurers, as determined by the commissioner. Each such insurer shall pay its share of such expense fund in monthly or other periodic installments as directed by the commissioner.

304.504 RELEASE OF EXISTING DEPOSITS: Any part of any deposit of an insurer held by the custodian on the effective date of this code which is in amount in excess of the deposit required or permitted to be made by such insurer under this code, shall, upon the commissioner's written order, be released; except, that no deposit held on account of any registered life insurance policies heretofore issued by the insurer shall be released except in accordance with the conditions under which such deposit was made.

ARTICLE FOURTEEN AGENTS, SOLICITORS, AND ADJUSTERS

304.510 DIVISION OF ARTICLE: (1) Part I of this article shall include KRS 304.511 to 304.560 inclusive, and shall relate only to agents other than life or title insurance agents, and to solicitors and adjusters, except as expressly otherwise provided.

(2) Part II of this article shall include KRS 304.564 to 304.574 inclusive, and shall relate only to life insurance agents, except as expressly otherwise provided.

PART I AGENTS (OTHER THAN LIFE), SOLICITORS, AND ADJUSTERS

304.511 "AGENT" DEFINED: An "agent" is an individual appointed by an insurer to solicit applications for insurance or negotiate insurance on its behalf, and if authorized so to do, to effectuate and countersign insurance contracts.

304.512 SALARIED REPRESENTATIVES OF MUTUAL OR RECIPROCAL INSURERS: Salaried traveling representatives of a mutual or reciprocal insurer shall not be deemed to be agents of such insurer for the purposes of this article nor be required to be licensed; but such a representative shall not directly or indirectly place business in any other insurer without being regularly licensed as an agent as provided by this code. Executive officers of domestic mutual insurers whose compensation is entirely by salary shall not be deemed to be agents of such insurer for the purpose of this article nor be required to be licensed, although authorized by the insurer to negotiate, sign, and countersign insurance and underwriting commitments on its behalf.

304.513 "SOLICITOR" DEFINED: A "solicitor" is an individual appointed by an agent to solicit applications for insurance as a representative of such agent. An individual employed on salary only by an agent, and devoting full time to clerical work with incidental taking of insurance applications and receiving premiums in the office of the agent, is not deemed to be a solicitor if his compensation neither includes any commission on such business nor is related to the volume of such applications, insurances, or premiums.

304.514 SERVICE REPRESENTATIVES: Individuals employed on salary by an insurer or general agent and who work with and assist agents in soliciting, negotiating, and effectuating insurance in such insurer or in the insurers represented by the general agent, are deemed to be service representatives and are not required to be licensed. No such service representative shall be licensed as agent.

304.515 "ADJUSTER" DEFINED: (1) An "adjuster" is any person who, for compensation as an independent contractor or as an employee of an independent contractor, or for fee or commission, investigates and negotiates settlement of claims arising under insurance contracts, on behalf solely of either the insurer or the insured. A licensed attorney-at-law who adjusts insurance losses from time to time incidental to the practice of his profession, or a salaried employee of an insurer or of a general agent, or a person who for limited periods adjusts losses of growing crops, is not deemed to be an "adjuster" for the purpose of this article.

(2) "Independent adjuster" means such an adjuster representing the interests of the insurer.

(3) "Public adjuster" means an adjuster employed by and representing solely the financial interests of the insured named in the policy.

304.516 LICENSE REQUIRED; FORMS: (1) No person shall in this state act as or hold himself out to be an agent, solicitor, or adjuster unless then licensed therefor by this state; except, that an individual employed by a licensed adjuster and undergoing education and training as an adjuster under the direction and supervision of such licensed adjuster, may for a period not exceeding twelve months act as an adjuster without having an adjuster's license if at the beginning of such twelve months period the name of such apprentice has been registered as such with the commissioner.

(2) No agent shall place any business with any insurer as to which he does not then hold an agent's license issued by the state, except as expressly provided in this article.

(3) The commissioner shall prescribe and furnish forms required in connection with application, issuance, or termination of licenses.

304.517 GENERAL QUALIFICATIONS FOR LICENSES:

(1) No license shall be issued except to an individual. A firm or corporation shall not be licensed.

(2) For the protection of the people of this state the commissioner shall not issue, renew, or permit to exist, any license except in compliance with this article, nor to any individual found by him to be untrustworthy, or incompetent, or who has not established to the satisfaction of the commissioner that he is qualified therefor in accordance with this article.

304.518 CONTROLLED BUSINESS LIMIT: (1) The commissioner shall not grant an agent's or solicitors license to any person if the commissioner has reasonable cause to believe that:

(a) During either of the two (2) calendar years immediately preceding the request for renewal of any such license, the license has been used principally for the purpose of writing controlled business; or

(b) the circumstances of the applicant for such license are such as to cause the commissioner reasonably to believe that during the twelve-month period immediately following issuance or renewal

of the license, if so issued or renewed, the license will be used principally for the purpose of writing controlled business.

A license shall be deemed to be used principally for the purpose of writing controlled business if the aggregate net amount of commissions or other compensation received or to be received by the licensee or applicant on controlled business written or to be written during the period involved, exceeds the aggregate net amount of commissions or other compensation received or to be received by the licensee or applicant on insurance business, other than controlled business, written or to be written during the same period.

(2) "Controlled business" means insurance procured or to be procured by or through such applicant or licensee upon:

(a) His own life, person, property, or interests or those of his spouse or relatives by blood or marriage to the second degree;

(b) The life, person, property, or interests, of his employer, or his firm, or of any officer, director, stockholder, or member of his employer or firm, other than members of mutual insurers, or any spouse of such employer, officer, director, stockholder, or member;

(c) the property or interests of any corporation of which he has stock control, or of which the stock control is held by any combination of himself, his firm, his employer, controlling stockholders of his employer, and spouses; the property or interests of any subsidiary of any such corporation;

(d) the life, person, property, or interests of his ward, or his employees; or upon persons, property, or interests under his supervision or control as trustee, or as manager, or as administrator or executor of any estate.

304.519 APPLICATIONS FOR LICENSE: (1) Application for any such license shall be made to the commissioner by the applicant. The commissioner may require the application to be in the applicant's handwriting. As a part of or in connection with any such application the applicant shall furnish, under oath, information concerning his identity, personal history, experience, business record, purposes, and other pertinent facts, as the commissioner may reasonably require.

(2) Application for an agent's license shall be accompanied by a written statement duly executed by or on behalf of the insurer to be represented, stating:

(a) Appointment of applicant as insurer's agent subject to issuance of license applied for;

(b) what investigation the insurer has made of applicant's trustworthiness, responsibility, and qualifications, and its opinion thereof; and

(c) other information relative to applicant reasonable required by the commissioner.

(3) Application for a solicitor's license shall be accompanied by a written statement, executed by the agent by whom the applicant is to be appointed, stating:

(a) Appointment of the applicant as solicitor, subject to issuance of license applied for;

(b) what investigation the proposed principal has made of the applicant's trustworthiness and qualifications, and his opinion thereof;

(c) whether such employment will constitute the principal vocation of the applicant; and

(d) other information relative to the applicant or his proposed appointment reasonably required by the commissioner.

(4) This section shall apply as to applications for limited license as travel insurance agent only to such extent as the commissioner deems proper.

(5) Willful misrepresentation of any fact required to be disclosed in any such application or accompanying statement is a violation of this code.

304.520 NUMBER OF APPLICATIONS REQUIRED: (1) The filing of personal data as to an individual with one application for a license shall, subject to subsection (2) of this section, be sufficient regardless of the number of subsequent applications by or renewal of licenses of the same individual.

(2) The commissioner may, in connection with the renewal of any license or at any other time or times, require the filing of a new application and personal data therewith.

304.521 EXAMINATIONS FOR LICENSE: (1) Each applicant for license as agent, solicitor, or adjuster shall prior to the issuance of any such license, personally take and pass to the satisfaction of the commissioner an examination given by the commissioner as a test of his qualifications and competence; but this requirement shall not apply to:

(a) Applications as to limited licenses, as travel insurance agents only, under KRS 304.529.

(b) Applicants who at any time within the five-year period next preceding date of application have been licensed in this state under a license similar to the license applied for and who are deemed by the commissioner to be fully qualified and competent.

(c) Applicants for license as nonresident agent who have fulfilled qualification requirements in their state of residence and who are deemed by the commissioner to be fully qualified and competent.

(d) Applicants for an agent's or solicitor's license covering the same kinds of insurance as an agent's or solicitor's license then held by them.

(2) Applicants for the renewal of licenses in force on the effective date of this code or issued thereafter, and adjusters in business as such on such effective date, shall not be required to take an examination except as provided in subsection (3) of this section.

(3) The commissioner may at any time require any licensed agent, solicitor, or adjuster to take and successfully pass an examination testing his competence and qualifications as a condition to the continuance or renewal of his license, if the licensee has been guilty of violation of this code, or has so conducted his affairs under his license as to cause the commissioner reasonably to desire further evidence of his qualifications.

In any such event the commissioner shall give not less than thirty days notice of the requirement before the examination, and the licensee's license shall in any event remain in effect until the result of the examination has been determined by the commissioner.

(4) The commissioner shall give, conduct and grade all such examinations in a fair and impartial manner, and without unfair discrimination as between individuals examined.

(5) The commissioner may appoint an Advisory Board to make recommendations to him with respect to the scope, type, and conduct of written examinations under Part I of this article and the times and places in the state where they shall be held. The Advisory Board, if appointed, shall consist of qualified persons selected from among insurance company officers and employees, general agents and managers, and licensed insurance agents and adjusters on such basis as to provide fair representation as to the various types of insurers. The members of the Advisory Board shall serve without pay but, upon

the authorization of the commissioner, shall be reimbursed for their reasonable expenses in attending meetings of the Advisory Board.

304.522 SCOPE OF EXAMINATION: (1) Each such examination shall be as the commissioner prescribes and shall be of sufficient scope reasonably to test the applicant's knowledge relative to the kinds of insurance or subdivisions thereof to be dealt with under the license applied for, and of the duties and responsibilities of, and laws of this state applicable to, such a licensee.

(2) The commissioner shall prepare and make available to applicants a printed manual specifying the subject matter to be covered in any examination for a particular license.

(3) The commissioner shall from time to time by rule and regulation make reasonable groupings of the kind or kinds of insurance or subdivisions thereof that may be covered by examinations for particular licenses.

304.523 EXAMINATIONS—FORM, TIME, FEE: (1) The answers of the applicant to any such examination shall be written by the applicant under the commissioner's supervision, and any such written examination may be supplemented by oral examination at the commissioner's direction.

(2) Applicants shall be permitted to take such examinations on any business day at the principal office of the commissioner, and the commissioner shall give examinations at such other times and places within this state as he deems necessary reasonably to serve the convenience of both the commissioner and applicants.

(3) The commissioner may require a waiting period of reasonable duration before giving a new examination to an applicant who has failed to pass a previous similar examination.

(4) For each examination taken, the commissioner shall collect in advance the fee provided in KRS 304.460.

304.524 ISSUANCE OF LICENSE: The commissioner shall promptly issue licenses applied for to individuals qualified therefor in accordance with this article, and upon compliance with the requirements of this code.

304.525 AGENT'S QUALIFICATIONS: To qualify for an agent's license, an applicant must otherwise comply with this code therefor and must

- (1) be twenty-one (21) years of age or over;
- (2) if other than a disability agent, be a bona fide resident of and actually reside in this state, except as provided in KRS 304.549;
- (3) successfully pass an examination as required under KRS 304.521;
- (4) be a trustworthy person;
- (5) not intend to use or use the license for the purpose principally of writing controlled business, as defined in KRS 304.518;
- (6) if for an agent's license (other than a temporary license under KRS 304.577) be appointed as its agent by an authorized insurer, subject to issuance of the license.

304.526 FIRMS AND CORPORATIONS AS AGENTS: If a partnership or corporation holds an agency contract, the members of the partnership and all officers, stockholders, or employees of the corporation who solicit, negotiate or effect contracts of insurance shall be required to qualify individually as agents in lieu of the partnership or corporation, and to be individually licensed as such agents.

304.527 APPOINTMENT OF AGENTS AND TERMINATION: (1) Each insurer upon appointing an agent in this state shall file written notice thereof with the commissioner. All such appointments shall be subject to issuance of a license to such agent.

(2) An insurer terminating the appointment of an agent shall promptly file written notice thereof with the commissioner together with proof that it has given or mailed like notice to the agent. Such notice filed with the commissioner may state the causes of such termination. Information so furnished the commissioner shall be privileged and shall not be used as evidence in any action against the insurer or any of its representatives.

304.528 NUMBER OF LICENSES REQUIRED AND MINIMUM SCOPE: (1) An agent shall be separately licensed as to each insurer represented.

(2) An agent's license shall cover, and the agent shall be qualified as to, the kind or kinds of insurance as specified in the license.

304.529 LIMITED LICENSE: (1) The commissioner may issue limited licenses as travel insurance agents to individuals selling transportation tickets of a common carrier of persons or property,

who shall act as such agents only as to travel ticket policies of disability insurance or baggage insurance on personal effects.

(2) The commissioner may issue a like limited license as to each individual who has charge of vending machines used in this state for the effectuation of such travel insurance.

(3) The commissioner may prescribe and furnish such special forms calling for such information as he deems proper in connection with the application for or renewal of such limited licenses.

304.530 COUNTERSIGNATURE IN BLANK PROHIBITED: An agent shall not sign or countersign in blank any policy to be issued outside of his office, nor countersign in blank any countersignature endorsement therefor.

304.534 SOLICITOR'S QUALIFICATIONS: The commissioner shall license as a solicitor an individual only who meets the following requirements:

- (1) Is a resident of this state.
- (2) Is twenty-one (21) years of age or over.
- (3) Is to represent but one (1) licensed agent.
- (4) Has passed any examination as required under this article.
- (5) Is otherwise qualified under this code.

304.535 APPLICATION FOR SOLICITOR'S LICENSE: The commissioner shall issue a solicitor's license only upon application by the applicant and the request of the agent to be represented.

304.536 SOLICITOR'S LICENSE, CUSTODY, AND CANCELLATION: The solicitor's license shall be delivered to and shall remain in possession of the appointing agent. Upon termination of such appointment, the license shall likewise terminate and shall be returned to the commissioner for cancellation.

304.537 LIMITATIONS UPON SOLICITORS: (1) A solicitor's license shall not cover any kind of insurance for which the agent by whom he is appointed is not then licensed.

(2) A solicitor shall not have power to bind an insurer upon or with reference to any risk or insurance contract, or to countersign insurance contracts.

304.538 RESPONSIBILITY OF AGENT FOR SOLICITOR: All business transacted by a solicitor under his license shall be in the name of the agent by whom he is appointed, and the agent shall be

responsible for all acts of omission of the solicitor within the scope of such appointment.

304.540 NONRESIDENT AGENTS: (1) The commissioner shall license as agent an individual who is otherwise qualified therefor under this code but who is not a resident of this state, if by the laws of the state or province of his residence, residents of this state may be licensed in such state or province either as nonresident agent or nonresident broker.

(2) In addition to other qualifications therefor no such license shall be issued to any individual who has any direct or indirect pecuniary interest in any insurance agent, agency or solicitor licensed as a resident of this state. Nor shall such license be issued to any individual who does not hold an agent's or broker's license issued by the state or province of his residence.

304.541 LIMITATIONS UPON NONRESIDENT AGENTS:

(1) Such a nonresident agent shall not directly or indirectly solicit insurance in this state, and may under his license place only insurance which has been directly procured from the insured outside of this state upon a subject of insurance owned by a nonresident or located outside this state.

(2) Such insurance upon subjects located in this state may be placed only through a resident agent in this state of an authorized insurer.

(3) A nonresident agent shall not countersign any policy or contract of insurance covering any subject located, resident, or to be performed in this state.

(4) This section shall not apply as to disability insurance.

304.542 PROCESS AGAINST NONRESIDENT AGENTS:

(1) Each licensed nonresident agent shall appoint the commissioner as his attorney to receive service of legal process issued against the agent in this state upon causes of action arising within this state out of transactions under his license. Service upon the commissioner as attorney shall constitute effective legal service upon the agent.

(2) The appointment shall be irrevocable for as long as there could be any cause of action against the agent arising out of his insurance transactions in this state.

(3) Duplicate copies of such legal process against such agent shall be served upon the commissioner by a person competent to serve a summons.

(4) Upon receiving such service, the commissioner shall forthwith send one of the copies of the process, by registered mail with return receipt requested, to the defendant agent at his last address of record with the commissioner.

(5) The commissioner shall keep a record of the day and hour of service upon him of all such legal process.

304.545 QUALIFICATIONS FOR ADJUSTER'S LICENSE: The commissioner shall license as an adjuster only an individual who has otherwise complied with this code therefor and who has furnished evidence satisfactory to the commissioner that he is qualified as follows:

(1) Is twenty-one (21) or more years of age.

(2) Is a bona fide resident of this state, or is a resident of a state which will permit residents of this state to act as adjusters in such other state.

(3) Is a trustworthy person.

(4) Has had experience or special education or training with reference to the handling of loss claims under insurance contracts, of sufficient duration and extent reasonably to make him competent to fulfill the responsibility of an adjuster.

(5) Has successfully passed any examination as required under the article.

(6) If for a public adjuster's license, has filed the bond required by KRS 304.548.

304.546 SEPARATE LICENSES: The commissioner may license an individual as an independent adjuster or as a public adjuster, and separate licenses shall be required as to each class of adjuster. An individual may be concurrently licensed under separate licenses as an independent adjuster and as a public adjuster, but may not represent both the insurer and the insured in the same transaction.

304.547 AGENT MAY ADJUST; OUT-OF-STATE ADJUSTERS: (1) On behalf of and as authorized by an insurer for which he is licensed as agent, an agent may from time to time act as an adjuster and investigate and report upon claims without being required to be licensed as an adjuster.

(2) No license by this state shall be required of a non-resident independent adjuster, for the adjustment in this state of a single loss, or of losses arising out of a catastrophe common to all such losses.

304.548 PUBLIC ADJUSTER'S BOND: (1) Prior to the issuance of a license as a public adjuster, the applicant therefor shall file with the commissioner and shall thereafter maintain in force while so licensed a surety bond in favor of the people of the Commonwealth of Kentucky, executed by an authorized corporate surety approved by the commissioner, in the amount of five thousand dollars (\$5,000). The bond may be continuous in form, and total aggregate liability on the bond may be limited to the payment of five thousand dollars (\$5,000). The bond shall be contingent on the accounting by the adjuster to any insured whose claim he is handling, for moneys or any settlement received in connection therewith.

(2) Any such bond shall remain in force until the surety is released from liability by the commissioner, or until cancelled by the surety. Without prejudice to any liability accrued prior to cancellation, the surety may cancel a bond upon thirty (30) days advance notice in writing filed with the commissioner.

(3) The licensee may, in lieu of such bond, during the existence of such license maintain on deposit with the commissioner a like amount in cash or securities approved by the commissioner. Such deposit shall be held for the same purpose and upon the same conditions as such bond.

304.549 PLACE OF BUSINESS, RESIDENCE: (1) Every licensed adjuster or agent, other than an agent licensed for disability insurance only, shall have and maintain in this state, or, if a non-resident agent, in the state of his domicile, a place of business accessible to the public. Such place of business shall be that wherein the agent or adjusters principally conducts transactions under his license. The address of his place of business shall appear on the license of the licensee, and the licensee shall promptly notify the commissioner of any change thereof. Nothing herein shall be deemed to prohibit the maintenance of such a place of business in the licensee's place of residence in this state.

(2) In cities located partly within and partly without the state, requirements of this article as to residence and principal place of business shall be deemed met if the residence or place of business is located in any part of the city, and if the other state in which the city is located in part has established like requirements as to such residence and place of business.

304.550 DISPLAY OF LICENSE: (1) The license or licenses of each agent, other than licenses as to disability insurance only, and the license of each adjuster shall be displayed in a conspicuous place in that part of his place of business which is customarily open to the public.

(2) The license of a solicitor shall be so displayed in the place of business of the agent by whom he is appointed.

304.551 RECORD OF AGENTS, PUBLIC ADJUSTERS: (1) Every agent or public adjuster shall keep at his place of business as shown on his license, a record of or information as to all transactions consummated under his license. This record or information shall include:

(a) If an agent,

(i) a record of each insurance contract procured, issued, or counter-signed, together with the names of the insurers and insureds, the amount or basis of the premium or consideration paid or to be paid, and a statement of the subject of the insurance.

(ii) the names of any other licensees from whom business is accepted, and of persons to whom commissions or allowances of any kind are promised or paid.

(b) If a public adjuster, a record of each investigation or adjustment undertaken or consummated, and a statement of any fee, commission, or other compensation received or to be received by the adjuster on account of such investigation or adjustment.

(c) Such other and additional information as shall be customary, or as may reasonably be required by the commissioner.

(2) All such records as to any particular transaction shall be kept available and open to the inspection of the commissioner at any business time during the five (5) years immediately following the date of the completion of such transaction, unless a shorter period is allowed as to a particular class of records by rules promulgated by the commissioner.

(3) This section shall not apply as to industrial fire insurance or as to disability insurance.

304.552 COLLECTED PREMIUMS—FIDUCIARY CAPACITY: That portion of all premiums or monies which an agent or solicitor collects from an insured and which is to be paid to an insurer, its agents or his principal because of the assumption of liability through the issuance of policies or contracts for insurance, shall be

held by the agent or solicitor in a fiduciary capacity and shall not be misappropriated or converted to his own use or illegally withheld by the agent or solicitor.

304.554 EXCHANGE OF BUSINESS; DIVIDING COMMISSIONS: (1) An agent may place only a kind or kinds of business for which he is licensed with an insurer for which he is not a licensed agent, by placing such business through a licensed agent of such insurer. But an agent shall not solicit such lines of insurance, known by him to be unacceptable to insurers for which he is licensed, as do not come to him in the normal course of soliciting for acceptable lines.

(2) No licensee shall divide with others or share in any commission payable on account of insurance subject to this code except as follows:

(a) A resident agent may divide or share in commissions with other resident agents licensed to write the same kind or kinds of insurance.

(b) A resident agent and a nonresident agent may divide among them commissions as to kinds of insurance for which both are licensed upon subjects of insurance owned by nonresidents or located outside of this state.

(c) A resident agent and surplus line broker may divide commissions pursuant to KRS 304.590.

(3) No such licensee shall share a commission with any corporation unless such corporation is an insurance agency.

(4) In addition to other penalties provided therefor, the license of any licensee violating or participating in the violation of this section shall be revoked and shall not be restored for a period of at least one year.

304.556 EXPIRATION AND RENEWAL OF LICENSES:

(1) Unless earlier revoked or terminated, licenses issued, renewed, or extended pursuant to this article shall expire annually at 12:01 A. M. on dates as follows:

(a) Agent's license as to all insurance other than life, shall expire on November 1st.

(b) Nonresident agent's license shall expire on August 1st.

(c) Solicitor's license shall expire on November 1st.

(d) Adjuster's license shall expire on November 1st.

(2) The commissioner may renew or extend any license for another license period to individuals qualified therefor, upon payment of the license fee and written request or application for such license, in such manner and on such forms as the commissioner reasonably requires, as follows:

(a) Agent's license, upon request of the insurer to be so represented.

(b) Nonresident agent's license, upon request of licensee.

(c) Solicitor's license, upon request of agent to be represented.

(d) Adjuster's license, upon request of the licensee.

(3) If request and fee for renewal or extension of license is filed with the commissioner prior to expiration of the existing license, the licensee may continue to act under such license, unless sooner revoked, suspended, or terminated, until the issuance of renewal license or until the expiration of five (5) days after the commissioner has refused to renew or extend the license and has mailed notice of such refusal to the licensee. Any request for renewal or extension not so filed until after date of expiration may be considered by the commissioner as an application for a new license.

304.557 TEMPORARY LICENSES: (1) The commissioner may issue a temporary agent's license in the following circumstances:

(a) To the surviving spouse or next of kin or to the individual who is the administrator or executor of a licensed agent becoming deceased.

(b) To the spouse, next of kin, employee, or individual who is the legal guardian of a licensed agent disabled because of sickness, insanity, or injury.

(c) To an applicant for a license, other than as a disability insurance agent, pending the examination therefor.

(d) To any agent appointed by an insurer issuing policies on the industrial plan, if such agent actually collects and services an industrial debit. The insurer and agent may assume that such license will be issued, effective as of the date of application, and may continue on such debit until notified to the contrary by the commissioner.

(2) An individual to be eligible for any such temporary license must be qualified as for a regular agent's license except as to experience, training, or the taking of any examination.

(3) A temporary license shall expire 90 days after date of issuance, or upon failure to pass any examination pending which such

temporary license was issued, whichever date shall first occur. The commissioner may, upon good cause shown, extend such license for an additional period not exceeding 90 days. Not more than one temporary license shall be issued to the same individual during the same twelve month period commencing with issuance of the license.

(4) Only one temporary license shall be required as to all insurers represented by such agent as at date of issuance of temporary license, and such agent may not be licensed as to additional insurers during the existence of such temporary license.

(5) The amount of any license fee paid for such a temporary license shall be credited upon any license fee required for a permanent license which replaces such temporary license prior to the expiration of such temporary license.

304.558 DENIAL, SUSPENSION, REVOCATION OF LICENSES: (1) The commissioner may suspend, revoke, or refuse to renew any license issued under this article or any surplus line broker's license for any cause specified in any other provision of this code, or for any of the following causes:

(a) For any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner.

(b) Violation of any provision of this code.

(c) Violation of any law relating to the business of insurance in the course of dealings under the license.

(d) Material misstatement, misrepresentation or fraud in obtaining the license, or failure to pass any examination required under this article.

(e) Misappropriation, conversion, or unlawful withholding of moneys belonging to insurers or others and received in conduct of business under the license.

(f) Willful misrepresentation of any insurance policy or willful deception with regard to an insurance policy.

(g) For "twisting" or rebating, all as defined in article twenty-eight.

(h) Conviction of a felony involving moral turpitude.

(i) Willful over-insurance of any property insurance risk.

(j) Fraudulent or dishonest practices in the conduct of business under the license.

(k) If in conduct of affairs under the license, the licensee has demonstrated incompetence or untrustworthiness, or is found by the commissioner to be a source of injury or loss to the public.

(l) Willful failure to comply with, or willful violation of, any proper order, rule or regulation of the commissioner.

(m) Failure or refusal, upon demand, to pay over to any insurer he represents or has represented any money coming into his hands belonging to the insurer.

(2) Upon conviction of any violation of this code the court may, in addition to any other penalty prescribed by law, revoke or suspend any license issued under Part I of this article, or any surplus line broker's license, which may then be in effect.

304.559 PROCEDURE FOR SUSPENSION OR REVOCATION OF LICENSE: (1) The commissioner shall refuse to renew or shall revoke any such license immediately and without hearing, upon conviction of the licensee, by any court of competent jurisdiction, of a felony involving moral turpitude or of a violation of this code.

(2) The commissioner may otherwise refuse to renew, may suspend or revoke any such license, for violation of law relating to insurance or other cause specified in this code, after a hearing upon not less than ten days' written notice of the hearing and charges given to the licensee by registered mail addressed to his last address of record with the commissioner. In the case of agents' licenses, the commissioner shall give like notice in like manner to the insurer as to whom the license was issued, mailed to the insurer's principal place of business. In the case of solicitors' licenses the commissioner shall give such notice to the agent as to whom the solicitor is licensed.

304.560 SURRENDER OF LICENSE: Any licensee whose license has been suspended, terminated, or revoked, or any person having possession thereof, shall forthwith return such license to the commissioner.

PART II

LIFE INSURANCE AGENTS

304.564 "LIFE INSURANCE AGENT" DEFINED: (1) The term "life insurance agent" means any authorized or acknowledged agent of an insurer, and any sub-agent of such agent, who acts as

such in the solicitation of, negotiation for, or procurement or making of a life insurance or annuity contract; except that the term "life insurance agent" shall not include any regular salaried officer or employee of an insurer, or of a licensed life insurance agent, who does not solicit or accept from the public applications for any such contract. A regular salaried officer or employee of an insurer shall not be deemed to be a "life insurance agent" by reason of rendering assistance to, or on behalf of a licensed life insurance agent, if such officer or employee devotes substantially all of his time to activities other than the solicitation of applications for life insurance or annuity contracts and receives no commission or other compensation directly dependent upon the amount of business obtained.

(2) The term "sub-agent" means any person (except as provided in subsection (1)) who acts for or on behalf of a licensed life insurance agent in the solicitation of, negotiation for, or procurement or making of a life insurance or annuity contract. Each sub-agent shall be deemed to be a life insurance agent, as defined above, and wherever, in succeeding sections of this article, the term "life insurance agent" is used, it shall include sub-agents, whether or not they are specifically mentioned. Each such person shall individually file an application for license and submit to a written examination as hereafter provided for applicants for a life insurance agent's license.

304.565 ACTING AS AGENT WITHOUT LICENSE PROHIBITED; NO COMMISSIONS TO BE PAID TO UNLICENSED PERSONS: (1) No person shall act as a life insurance agent within this state until he has procured a license as required by this article.

(2) No insurer or licensed life insurance agent doing business in this state, shall pay directly or indirectly any commission, or other valuable consideration to any person for services as a life insurance agent within this state, unless such person holds a currently valid license to act as a life insurance agent as required by this code; nor shall any person, other than a duly licensed life insurance agent, accept any such commission or other valuable consideration. This section shall not prevent the payment or receipt of renewal or other deferred commissions to or by any person solely because such person has ceased to hold a license to act as a life insurance agent.

304.566 APPLICATION FOR LICENSE: (1) Each applicant for a license to act as a life insurance agent within this state shall file with the commissioner his written application on forms furnished by the commissioner. The application shall be signed and duly sworn to by the applicant. The commissioner may require the application to be in the handwriting of the applicant. The prescribed form shall require the applicant to state his full name; residence; age; occupation and place of business for five years preceding date of the application; whether applicant has ever held a license to solicit life, or any other insurance in any state; whether he has been refused, or has had suspended or revoked a license to solicit life, or any other insurance in any state; what insurance experience, if any, he has had; what instruction in life insurance and in the insurance laws of this state he has had or expects to have; whether any insurer or general agent claims applicant is indebted under an agency contract or otherwise, and if so, the name of the claimant, the nature of the claim and the applicant's defense thereto; whether applicant has had an agency contract canceled and, if so, when, by what insurer or general agent and the reasons therefor; whether applicant will devote all or part of his efforts to acting as a life insurance agent, and, if part only, how much time he will devote to such work, and in what other business or businesses he is engaged or employed; whether, if applicant is a married woman, her husband has ever applied for or held a license to solicit life, or any other insurance in any state and whether such license has been refused, suspended or revoked; such other information as the commissioner in his discretion may require.

(2) The application shall be accompanied by a certificate on forms furnished by the commissioner and signed by an officer or properly authorized representative of the insurer stating that the insurer has investigated the character and background of the applicant and is satisfied that he is trustworthy and qualified to act as its agent and to hold himself out in good faith to the general public as a life insurance agent and that the insurer desires that the applicant be licensed as a life insurance agent to represent it in this state.

(3) The application, when filed, shall be accompanied, in the case of applicants required to take an examination as hereafter prescribed, by an examination fee in the amount of three dollars (\$3). In the event an applicant fails to qualify for, or is refused a license,

the annual fee shall be returned to him; the examination fee shall not be returned for any reason.

304.567 EXAMINATION OF APPLICANT FOR LICENSE:

(1) Each applicant for a license to act as a life insurance agent within the state shall submit to a personal written examination to determine his competence with respect to life insurance and annuity contracts and his familiarity with the pertinent provisions of the laws of this state, and shall pass the same to the satisfaction of the commissioner; except that no such written examination shall be required of:

(a) An applicant for a renewal license, unless the commissioner determines that such examination is necessary to establish the competency of such individual, and in which case the commissioner shall give not less than thirty days notice of the requirement before the examination, and the licensee's license shall in any event remain in effect until the result of the examination has been determined by the commissioner; or unless a license had not been issued to such applicant within two years preceding the date of filing his application;

(b) In the discretion of the commissioner, an applicant whose license to do business or act as a life insurance agent in this state was suspended less than one year prior to the date of application.

(2) The commissioner shall establish rules and regulations with respect to the scope, type and conduct of such written examinations and the times and places within this state where they shall be held. Applicants shall be permitted to take such examinations on any business day at the principal office of the commissioner.

(3) No person who shall have taken and failed to pass two examinations given pursuant to this section shall be entitled to take any further examination until after the expiration of six months from the date of the last examination in which he failed. If such person shall thereafter fail to pass two more such examinations he shall not be eligible to take any further examination until after the expiration of one year from the date of his last unsuccessful examination. An examination fee shall be paid for each and every examination.

(4) The commissioner may appoint an Advisory Board to make recommendations to him with respect to the scope, type, and conduct of written examinations and the times and places in the

state where they shall be held. This Advisory Board, if appointed, shall consist of individuals experienced in the life insurance business, and may include life insurance company officers and employees, general agents and managers, and licensed life insurance agents. The members of the Advisory Board shall serve without pay but, upon the authorization of the commissioner, shall be reimbursed for their reasonable expenses in attending meetings of the Advisory Board.

304.568 ISSUANCE OR REFUSAL OF LICENSE: (1) If the commissioner is satisfied that the applicant is trustworthy and competent and the applicant, if required, has passed his written examination, a license shall be issued forthwith, limited to the insurer and kind of insurance for which the agent is to be appointed. If the applicant has not passed his written examination, or for any of the reasons set forth in KRS 304.574, the commissioner shall notify the applicant and the insurer in writing that a license will not be issued to him.

(2) In any case where a license is applied for to transact both life and disability insurance as agent of an insurer authorized in this state to transact both life and disability insurance, the commissioner shall issue a single license authorizing the applicant to represent the insurer with respect to both types of business, if the applicant, in addition to qualifying under this part, has satisfied the commissioner that he is competent to represent such insurer with respect to disability insurance.

304.569 NON-RESIDENTS MAY BE LICENSED: (1) A non-resident of this state may be licensed as a life insurance agent upon compliance with the provisions of this article, as apply to residents, if such person in good faith intends to transact and does transact in this state substantially all of his business as a life insurance agent.

(2) Nonresidents of this state other than those referred to in subsection (1) of this section, may be licensed as life insurance agents in this state without taking an examination if:

(a) A written examination is required of applicants for a life insurance agent's license in such other state;

(b) the appropriate official of such other state certifies that the applicant holds a currently valid license as a life insurance agent in such other state and either passed such written examination

or was the holder of a life insurance agent's license prior to the time such written examination was required;

(c) the applicant has no place of business within this state for the transaction of business as a life insurance agent.

(d) in such other state, a resident of this state is privileged to procure a life insurance agent's license upon the foregoing conditions and without discrimination as to fees or otherwise in favor of the residents of such other state.

304.570 AGENT MAY BE LICENSED TO REPRESENT ADDITIONAL LIFE INSURERS: (1) Any life insurance agent licensed in this state may apply to the commissioner, at any time while his license is in force, for an additional license or licenses authorizing him to act as a life insurance agent for an additional insurer or insurers. Such application shall set forth each insurer which the applicant is then licensed to represent; a certificate from the insurer to be named in each additional license applied for that it desires to appoint the applicant as its agent; and such other information as the commissioner may require. Upon receipt of each such application, the commissioner may issue such additional license without examination of, or further investigation concerning the applicant. Any life insurer may file a request with the commissioner for notification that any life agent authorized to represent it has been appointed to represent another life insurer. Pursuant to such request for notice the commissioner shall notify such insurer of the appointment of life agents as life agents for other insurers.

(2) A life insurance agent licensed in this state may place excess or rejected risks in any other life insurer authorized to transact such insurance in this state, with the knowledge and approval of the insurer as to which the agent is so licensed, without being required to have an additional or separate license.

304.571 EXPIRATION AND RENEWAL OF AGENT'S LICENSE: (1) Each license issued to a life insurance agent shall expire on March 1st. following the date of issue, unless prior thereto it is revoked or suspended by the commissioner or the authority of the agent to act for the insurer is terminated.

(2) In the absence of a contrary ruling by the commissioner, license renewals may be issued from year to year upon request of the insurer, without further action on the part of the agent.

(3) Upon the filing of a request for renewal of license and payment of the required fees prior to its date of expiration, the current license shall continue in force until the renewal license is issued by the commissioner or until the commissioner has refused for cause to issue such renewal license, as provided in KRS 304.574, and has given notice of such refusal in writing to the insurer and the agent.

304.572 TEMPORARY LICENSE: (1) The commissioner, if he is satisfied with the honesty and trustworthiness of the applicant, may issue a temporary life insurance agent's license without requiring the applicant to pass a written examination, as follows:

(a) To the executor or administrator of the estate of a deceased person who at the time of his death was a licensed life insurance agent;

(b) To a surviving next of kin of such a deceased person, if no administrator or executor has been appointed and qualified, but any license issued under this subsection shall be revoked upon issuance of a license to an executor or administrator under subsection (1) above;

(c) To any agent appointed by an insurer issuing policies on the industrial plan, if such agent actually collects and services an industrial debit. The insurer and agent may assume that such license will be issued, effective as of the date of application, and may continue on such debit until notified to the contrary by the commissioner.

(2) No license issued under this section shall be effective for more than ninety days. The commissioner, in his discretion, may renew such license once upon proper application and for good cause.

(3) The amount of any license fee paid for such a temporary license shall be credited upon any license fee required for a permanent license which replaces the temporary license prior to the expiration of such temporary license.

304.573 INSURER TO NOTIFY COMMISSIONER OF TERMINATION OF CONTRACT; COMMUNICATIONS PRIVILEGED:

(1) Every insurer shall, upon termination of the appointment of any life insurance agent, immediately file with the commissioner a statement of the facts relative to the termination of the appointment and the date and cause thereof. The commissioner shall thereupon terminate the license of such agent to represent such insurer in this state.

(2) Any information, document, record or statement required to be made or disclosed to the commissioner pursuant to this section shall be deemed a privileged communication and shall not be used as evidence in any court action or proceeding.

304.574 REFUSAL, SUSPENSION, OR REVOCATION OF LICENSE: (1) A license may be refused, or a license duly issued may be suspended or revoked or the renewal thereof refused by the commissioner if, after notice and hearing as hereafter provided, he finds that the applicant for, or holder of such license:

(a) Has willfully violated any provision of this code; or

(b) has intentionally made a material misstatement in the application for such license; or

(c) has obtained, or attempted to obtain, such license by fraud or misrepresentation; or

(d) has misappropriated or converted to his own use or illegally withheld money belonging to an insurer or an insured or beneficiary; or

(e) has otherwise demonstrated lack of trustworthiness or competence to act as a life insurance agent; or

(f) has been guilty of fraudulent or dishonest practices; or

(g) has materially misrepresented the terms and conditions of life insurance policies or contracts; or

(h) has engaged in "twisting" as defined in article twenty-eight; or

(i) has obtained, or attempted to obtain such license, not for the purpose of holding himself out to the general public as a life insurance agent, but primarily for the purpose of writing "controlled business" as defined in KRS 304.518.

(2) The procedure for refusal, suspension, or revocation of license shall be as provided in KRS 304.559.

(3) No licensee whose license has been revoked hereunder shall be entitled to file another application for a license as a life insurance agent within one year from the effective date of such revocation or, if judicial review of such revocation is sought, within one year from the date of final court order or decree affirming such revocation. Such application, when filed, may be refused by the commissioner unless the applicant shows good cause why the revocation of his license shall not be deemed a bar to the issuance of a new license.

ARTICLE FIFTEEN

UNAUTHORIZED INSURERS

304.580 REPRESENTATION PROHIBITED: (1) Except as expressly provided in this article, no person shall in any manner:

(a) Represent or assist any insurer not then duly authorized to transact insurance in this state, in the procuring, placing, or maintenance of any insurance coverage upon or with relation to any subject of insurance resident, located, or to be performed in this state.

(b) Represent or assist any person in the procuring of insurance in such an unauthorized insurer upon or with relation to any such subject of insurance.

(c) Inspect or examine any risk or investigate or adjust any loss, or collect or receive any premium, on behalf of any such insurer or person.

(2) This section shall not apply as to reinsurance placed or procured in accordance with KRS 304.354, or to surplus line insurance lawfully procured pursuant to this article, or to any transaction with respect to insurance coverage delivered in a state where the insurer was legally qualified to transact insurance, or delivered in this state at a time when such insurer was duly authorized to transact insurance in this state.

304.581 ADVERTISING PROHIBITED: (1) No publication published in this state, or radio or television broadcaster, or any other agency or means for the dissemination of information operated or located in this state, shall publish, broadcast, or otherwise disseminate within this state advertising for or on behalf of any insurer not then authorized to transact insurance in this state.

(2) This section shall not apply as to publications published in this state principally for circulation in other states, wherein advertising by or in behalf of such unauthorized insurers is not expressly directed toward residents or subjects or insurance in this state.

304.582 VALIDITY OF CONTRACTS ILLEGALLY EFFECTUATED: An insurance contract effectuated by an unauthorized insurer in violation of this code shall be voidable except at the instance of the insurer.

304.583 PROCESS AGAINST UNAUTHORIZED INSURERS:

(1) Delivery, effectuation, or solicitation of any insurance contract,

within this state by an unauthorized insurer, or the performance within this state of any other service or transaction connected with such insurance by or on behalf of such insurer, shall be deemed to constitute an appointment by such insurer of the commissioner as its attorney, upon whom may be served all lawful process issued within this state in any action or proceeding against such insurer arising out of any such contract or transaction.

(2) All such process shall be served as provided by, and otherwise be subject to the provisions of KRS 304.095. In addition to such service upon the commissioner, notice of such service and a copy of such process within ten (10) days thereafter shall be sent by plaintiff's attorney to defendant insurer at its last known principal place of business by registered mail. Defendant insurer's receipt, or registry receipt as to such mailing issued by the postoffice where mailed, and the affidavit of the plaintiff's attorney showing compliance with this subsection, shall be filed in the court wherein such action is pending on or before the date the defendant insurer is required to appear, or within such further time as the court may allow. No judgment by default against such insurer may be taken under this section prior to expiration of thirty (30) days after date of filing of such affidavit of compliance. Service of process upon such an insurer in accordance with this section shall be as valid and effective as if served upon a defendant personally present in this state.

(3) Means provided in this section for service of process upon such an insurer shall not be deemed to prevent service of process upon such insurer by any other lawful means.

(4) An insurer which has been served with process as provided in this section, shall, subject to KRS 304.584, have the right to appear in and defend such action and employ attorneys and other persons in this state to assist in its defense thereto or settlement thereof.

(5) This section shall not apply as to surplus line insurance lawfully procured from unauthorized insurers as provided in this article.

304.584 DEFENSE OF ACTION BY UNAUTHORIZED INSURER: (1) Before any unauthorized foreign or alien insurer shall file or cause to be filed any pleading in any action, suit or proceeding instituted against it, under KRS 304.583, such unauthorized insurer shall either (a) deposit with the clerk of the court in which

such action, suit or proceeding is pending cash or securities or file with such clerk a bond with good and sufficient sureties, to be approved by the court, in an amount to be fixed by the court sufficient to secure the payment of any final judgment which may be rendered in such action; or (b) procure a certificate of authority to transact the business of insurance in this state.

(2) The court in any action, suit, or proceeding, in which service is made in the manner provided in KRS 304.583, may, in its discretion, order such postponement as may be necessary to afford the defendant reasonable opportunity to comply with the provisions of subsection (1) of this section and to defend such action.

(3) Nothing in subsection (1) of this section is to be construed to prevent an unauthorized foreign or alien insurer from filing a motion to quash a writ or to set aside service thereof made in the manner provided in KRS 304.583 on the ground that such unauthorized insurer has not done any of the acts enumerated in such subsection.

(4) In any action against an unauthorized foreign or alien insurer upon a contract of insurance issued or delivered in this state to a resident thereof or to a corporation authorized to do business therein, if the insurer has failed for thirty days after demand prior to the commencement of the action to make payment in accordance with the terms of the contract, and it appears to the court that such refusal was vexatious and without reasonable cause, the court may allow to the plaintiff a reasonable attorney fee and include such fee in any judgment that may be rendered in such action. Such fee shall not exceed twelve and one-half percent of the amount which the court or jury find the plaintiff is entitled to recover against the insurer, but in no event shall such fee be less than twenty-five dollars. Failure of an insurer to defend any such action shall be deemed prima facie evidence that its failure to make payment was vexatious and without reasonable cause.

(5) This section shall not apply as to any insurance policy or contract lawfully issued by an unauthorized insurer as a surplus line coverage pursuant to the provisions of this article.

304.585 DOMESTIC INSURER'S UNAUTHORIZED OPERATION PROHIBITED: (1) No domestic insurer shall knowingly solicit or effectuate insurance in any reciprocating state in which it is not then licensed as an authorized insurer.

(2) This section shall not prohibit advertising through publications, radio, or television broadcasts, or other means of dissemination originating outside such reciprocating state, if the insurer is licensed in a substantial number of the states in which such advertising is disseminated, and if such advertising is not expressly directed toward residents or subjects of insurance in such reciprocating state. This limitation shall not apply as to trade publications or directories.

(3) This section shall not prohibit insurance, covering subjects resident or located in a reciprocating state, under contracts solicited and effectuated in states in which the insurer was then licensed. Nor shall it prohibit insurance lawfully effectuated by the insurer as an unauthorized insurer in accordance with the laws of the reciprocating state.

(4) This section shall not prohibit the solicitation by mail of additional or other insurance coverages from existing policyholders of an insurer by such insurer if such solicitation is part of a general mailing to all the insurer's policyholders or to a class thereof not distinguished by residence in states wherein the insurer is not authorized to transact insurance.

(5) A "reciprocating" state, as used herein, is one under the laws of which a similar prohibition is imposed upon and is enforced against insurers domiciled in that state.

(6) The commissioner shall suspend or revoke the certificate of authority of a domestic insurer found by him, after a hearing, to have violated this section.

304.586 "SURPLUS LINE" INSURANCE: (1) Any portion or all of an insurance coverage which cannot be procured from authorized insurers, hereinafter designated as "surplus line", may be procured from unauthorized insurers if:

- (a) Procured through a licensed surplus line broker; and
- (b) insurance as to the subject of insurance cannot be procured from authorized insurers or has been procured to the full extent such insurers are willing to insure; and
- (c) insurance in an unauthorized insurer is not sought or required in order to secure advantages either as to premium rate or terms of the insurance contract.

(2) At the time any such surplus line insurance is procured the surplus line broker shall execute an affidavit setting forth facts from which it may be determined whether the requirements of sub-

section (1) of this section have been met. The broker shall file such affidavit with the commissioner within thirty (30) days after such insurance is procured.

304.587 ENDORSEMENT OF CONTRACT: Every insurance contract procured as a surplus line coverage pursuant to this article shall have stamped upon it and be initialed by or bear the name of the surplus line broker who procured it, the following:

"This contract is registered and delivered as a surplus line coverage under the insurance code of the Commonwealth of Kentucky."

304.588 SURPLUS LINE INSURANCE VALID: Insurance contracts procured as surplus line coverage from unauthorized insurers in accordance with this article shall be fully valid and enforceable as to all parties, and shall be given recognition in all matters and respects to the same effect as like contracts issued by authorized insurers.

304.589 LICENSING OF SURPLUS LINE BROKERS: Any individual resident in this state who is deemed by the commissioner to be competent and trustworthy and while maintaining an office at a designated location in this state may be licensed as a surplus line broker, as follows:

(1) Application to the commissioner for the license shall be on forms furnished by the commissioner.

(2) The license fee shall be twenty-five dollars (\$25.00) for each license year during any part of which the license is in force. The license year shall be from the date of issuance of the license.

(3) Before issuance of license the applicant shall file with the commissioner and thereafter for as long as the license remains in effect he shall keep in force a bond in favor of the Commonwealth in the penal sum of two thousand dollars (\$2,000), with authorized corporate sureties approved by the commissioner, conditioned that he will conduct business under the license in accordance with the provisions of this article and that he will promptly remit the taxes provided by KRS 304.593. No such bond shall be terminated unless not less than thirty (30) days prior written notice thereof is filed with the commissioner.

304.590 MAY ACCEPT BUSINESS FROM AGENTS; COMMISSIONS: (1) A licensed surplus line broker may accept and place surplus line business for any insurance agent licensed in this state

for the kind of insurance involved, and may compensate such agent therefor.

(2) The broker shall have the right to receive from the insurer the customary commission upon insurance placed through the broker in the insurer.

304.591 SOLVENT INSURERS REQUIRED: The broker shall ascertain the financial condition of the unauthorized insurer before placing insurance therewith, and shall not knowingly place surplus line insurance with insurers unsound financially. The broker shall not so insure with any insurer having surplus as to policyholders amounting to less than two hundred thousand dollars (\$200,000).

304.592 RECORDS OF BROKER: Each such broker shall keep in his office in this state a full and true record of each surplus line contract procured by him or cancelled, including a copy of the daily report, if any. The record shall show such of the following items as may be applicable:

- (1) Amount of the insurance;
 - (2) gross premiums charged;
 - (3) return premium paid, if any;
 - (4) rate of premium charged upon the several items of property;
 - (5) effective date of the contract, and the terms thereof;
 - (6) name and address of the insurer;
 - (7) name and address of the insured;
 - (8) brief general description of subject insured and where located;
 - (9) other information as may be required by the commissioner.
- The record shall be so kept for a period of at least five (5) years and at any time be open to examination by the commissioner.

304.592 RECORDS OF BROKER: Each such broker shall keep in his office in this state a full and true record of each surplus line contract procured by him or cancelled, including a copy of the daily and the gross premiums returned on insurance cancelled under his license during the year ending on the thirtieth day of June last preceding, all exclusive of sums collected to cover federal or state taxes or collected or returned in connection with insurance exempted under KRS 304.597. The statement shall include such other information as the commissioner reasonably requires.

(2) At the time of filing such statement, the broker shall pay to the State Treasurer, through the commissioner, a sum equal to four per cent (4%) of such gross premiums less applicable return premiums.

(3) If a surplus line policy covers risks or exposures only partially in this state the tax so payable shall be computed upon the proportion of the premium which is properly allocable to the risks or exposures located in this state.

304.595 REVOCATION OF LICENSE: (1) The commissioner shall revoke any surplus line broker's license:

(a) If the broker fails to file his annual statement or to remit the tax as required by this article; or

(b) if the broker fails to maintain an office in this state, or to keep the records, or to allow the commissioner to examine his records as required by this article; or

(c) for any of the causes for which an agent's license may be revoked.

(2) The commissioner may suspend or revoke any or all such licenses whenever he deems suspension or revocation to be for the best interests of the people of this state.

(3) The procedures provided by this code for the suspension or revocation of agents' licenses shall be applicable to suspension or revocation of a surplus line broker's license.

(4) No broker whose license has been so revoked or suspended shall again be so licensed within one (1) year thereafter, nor until any fines or delinquent taxes owing by him under this code have been paid.

304.596 LEGAL PROCESS AGAINST SURPLUS LINE INSURER: (1) An unauthorized insurer shall be sued, upon any cause of action arising in this state under any contract issued by it as a surplus line contract pursuant to this article, in a court of competent jurisdiction in the county in which the cause of action arose.

(2) Legal process against the insurer in such action shall be served upon the commissioner. Such process shall set forth the name and address of the person designated in the policy pursuant to subsection (3) of this section. The commissioner shall forthwith mail the process so served to the person designated by the insurer in the policy for the purpose, by registered mail with return receipt requested. Upon service of process upon the commissioner and the

commissioner mailing such process to the insurer's designee, the court shall be deemed to have jurisdiction *in personam* of the insurer.

(3) An unauthorized insurer issuing such policy shall be deemed thereby to have authorized service or process against it in the manner and to the effect as provided in this section. Any such policy shall contain a provision stating the substance of this section, and designating the person to whom the commissioner shall mail process as provided in subsection (2) of this section.

304.597 EXEMPTIONS: (1) The provisions of this article controlling the placing of insurance with unauthorized insurers shall not apply to reinsurance or to title insurance; nor to the following insurance when so placed by licensed agents of this state:

(a) Insurance on subjects located, resident, or to be performed wholly outside of this state, or on vehicles or aircraft owned and principally garaged outside this state.

(b) Insurance on operations of railroads engaged in transportation in interstate commerce and their property used in such operations.

The record shall be preserved for not less than five (5) years from the effective date of the insurance and shall be kept available in this state and open to the commissioner's examination. The agent shall furnish to the commissioner at his request a report of all such coverages so placed in a designated calendar year.

304.598 RECORDS OF INSURED: Every person for whom insurance has been placed with an unauthorized insurer pursuant to or in violation of this article shall, upon the commissioner's order, produce for his examination all policies and other documents evidencing the insurance, and shall disclose to the commissioner the amount of the gross premiums paid or agreed to be paid for the insurance. For each refusal to obey such order, such person shall be liable to a fine of not more than five hundred dollars (\$500.00).

(2) Agents so placing any such insurance with an unauthorized insurer shall keep a full and true record of each such coverage in detail as required of surplus line insurance under this article.

ARTICLE SIXTEEN

RATES

304.600 PURPOSE: The purpose of the provisions of this article is to promote the public welfare by regulating insurance rates

to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate cooperative action among insurers in rate making and in other matters within the scope of this article. Nothing in this article is intended to prohibit or discourage reasonable competition, or to prohibit, or encourage, except to the extent necessary to accomplish the purpose stated, uniformity in insurance rates, rating systems, rating plans or practices. The provisions of this article shall be liberally interpreted to carry into effect the provisions of this section; and shall apply to all insurers as defined in KRS 304.003 unless specifically exempted by this article.

PART I

RATES OF FIRE AND MARINE INSURERS

304.601 KINDS OF INSURANCE AND INSURERS TO WHICH PART I SHALL APPLY: COVERAGE BY OTHER LAWS; DESIGNATION AS TO WHICH LAW TO APPLY: (1) KRS 304.601 to 304.618, inclusive, shall constitute Part I of this article (hereinafter in this article referred to as Part I) and shall apply to all those kinds, types or forms of property insurance known as fire, marine, inland marine insurance and allied lines, on risks located in this state. Inland marine insurance shall be deemed to include insurance now or hereafter defined by statute, or by interpretation thereof, or if not so defined or interpreted, by ruling of the commissioner, or as established by general custom of the business as inland marine insurance.

(2) Part I shall not apply:

(a) To reinsurance, other than joint reinsurance to the extent stated in KRS 304.610;

(b) To insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine insurance policies;

(c) To insurance of hulls of aircraft, including accessories and equipment, and insurance against liability for damage to property or injury to persons arising out of the ownership, maintenance or use of aircraft;

(d) To motor vehicle insurance nor to insurance against liability arising out of the ownership, maintenance or use of motor vehicles.

(3) The provisions of Part I shall not apply to assessment or cooperative companies operating under the provisions of KRS Chapter 299.

(4) The provisions of Part I shall not apply to domestic mutual fire insurers operating in this state only, and organized by special acts of the legislature.

(5) If any kind of insurance, subdivision or combination thereof, or type of coverage subject to Part I is also subject to regulation under Part II of this article an insurer to which both Parts are otherwise applicable shall file with the commissioner a designation as to which Part shall be applicable to it with respect to such kind of insurance, subdivision or combination thereof, or type of coverage.

304.602 MAKING AND USE OF RATES; PROVISIONS AND CONSIDERATIONS GOVERNING; UNIFORMITY NOT REQUIRED:

(1) Rates shall be made in accordance with the following provisions:

(a) Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated.

(b) Rates shall not be excessive, inadequate or unfairly discriminatory.

(c) Due consideration shall be given to past and prospective loss experience within and outside this state, to the conflagration and catastrophe hazards, to a reasonable margin for underwriting profit and contingencies, to dividends, savings and unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, to past and prospective expenses both country-wide and those specially applicable to this state, and to all other relevant factors within and outside this state; and in the case of fire insurance rates consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent five-year period for which such experience is available.

(2) Except to the extent necessary to meet the provisions of paragraph (b) of subsection (1) of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

(3) Rates made in accordance with this section may be used subject to the provisions of Part I.

304.603 FILING OF RATE PLANS, MANUALS OR SCHEDULES; SUPPORTING INFORMATION; FILING THROUGH RATING ORGANIZATION; REVIEW OF FILINGS; WAITING PERIODS; WHEN FILINGS EFFECTIVE; POLICIES MUST CONFORM TO FILED RATES: (1) Every insurer shall file with the commissioner, except as to inland marine risks which by general custom of the business are not written according to manual rates or rating plans, every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof and shall indicate the character and extent of the coverage contemplated. When a filing is not accompanied by the information upon which the insurer supports such filing and the commissioner does not have sufficient information to determine whether such filing meets the requirements of Part I, he shall require such insurer to furnish the information upon which it supports such filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of a filing may include (1) the experience or judgment of the insurer or rating organization making the filing, (2) its interpretation of many statistical data it relies upon, (3) the experience of other insurers or rating organizations, or (4) any other relevant factors. A filing and any supporting information shall be open to public inspection after the filing becomes effective. Specific inland marine rates on risks specially rated made by a rating organization, shall be filed with the commissioner.

(2) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the commissioner to accept such filings on its behalf; provided, that nothing contained in Part I shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

(3) The commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the requirements of Part I.

(4) Subject to the exception specified in subsection (5) of this section, each filing shall be on file for a waiting period of fifteen days before it becomes effective, which period may be extended by the

commissioner for an additional period not to exceed fifteen days if he gives written notice within such waiting period to the insurer or rating organization which made the filing that he needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the commissioner may authorize a filing which he has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of Part I unless disapproved by the commissioner within the waiting period or any extension thereof.

(5) Specific inland marine rates on risks specially rated by a rating organization shall become effective when filed and shall be deemed to meet the requirements of Part I until such time as the commissioner reviews the filing and so long thereafter as the filing remains in effect.

(6) Under such rules and regulations as he shall adopt the commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make such examination as he may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in paragraph (b) of subsection (1) of KRS 304.602.

(7) Upon the written application of the insured, stating his reasons therefor, filed with and approved by the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

(8) No insurer shall make or issue a contract or policy except in accordance with filings which are in effect for said insurer as provided in Part I or in accordance with subsections (6) and (7) of this section. This subsection shall not apply to contracts or policies for inland marine risks as to which filings are not required.

304.604 DISAPPROVAL OF FILINGS; HEARINGS; APPLICATION BY PERSON AGGRIEVED BY FILINGS: (1) If within the waiting period or any extension thereof as provided in subsection (4) of KRS 304.603, the commissioner finds that a filing does not meet the requirements of Part I, he shall send to the insurer or

rating organization which made such filing, written notice of disapproval of such filing specifying therein in what respect he finds such filing fails to meet the requirements of Part I and stating that such filing shall not become effective.

(2) If within thirty days after a specific inland marine rate on a risk specially rated by a rating organization, subject to subsection (5) of KRS 304.603 has become effective, the commissioner finds that such filing does not meet the requirements of Part I, he shall send to the insurer or rating organization which made such filing, written notice of disapproval of such filing specifying therein in what respects he finds such filing fails to meet the requirements of Part I and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Said disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in said notice.

(3) If at any time subsequent to the applicable review period provided for in subsection (1) or (2) of this section, the commissioner finds that a filing does not meet the requirements of Part I, he shall, after a hearing held upon not less than ten days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of Part I, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(4) Any person or organization aggrieved with respect to any filing which is in effect may make written application to the commissioner for a hearing thereon, provided, however, that the insurer or rating organization that made the filing shall not be authorized to proceed under this subsection. Such application shall specify the grounds to be relied upon by the applicant. If the commissioner shall find that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding such a hearing, he shall, within thirty days after receipt of such application, hold a hearing upon not less than ten days' written notice to the applicant and to every insurer and rating organization which made such filing. If, after such

hearing, the commissioner finds that the filing does not meet the requirements of Part I he shall issue an order specifying in what respects he finds that such filing fails to meet the requirements of Part I, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to the applicant and to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(5) No manual, minimum, class rate, rating schedule, rating plan, rating rule or any modification of any of the foregoing which has been filed pursuant to the requirements of KRS 304.603 shall be disapproved if the rates thereby produced meet the requirements of Part I.

304.605 RATING ORGANIZATIONS; LICENSING; FEE; SUSPENSION OR REVOCATION OF LICENSE; ADMISSION OF SUBSCRIBERS AND FURNISHING OF SERVICES; RULES; CO-OPERATION BETWEEN ORGANIZATIONS: (1) A corporation, an unincorporated association, a partnership or an individual, whether located within or outside this state, may make application to the commissioner for license as a rating organization for such kinds of insurance, or subdivision or class of risk or a part or combination thereof as are specified in its application and shall file therewith (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its bylaws, rules and regulations governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served and (4) a statement of its qualifications as a rating organization. If the commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business conform to the requirements of law, he shall issue a license specifying the kinds of insurance, or subdivision or class of risk or part or combination thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within sixty days of the date of its filing with him. Licenses issued pursuant to this

section shall remain in effect for three years unless sooner suspended or revoked by the commissioner. The fee for said license shall be twenty-five dollars. Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this subsection. Every rating organization shall notify the commissioner promptly of every change in (1) its constitution, its articles of agreement or association, or its certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business, (2) its list of members and subscribers and (3) the name and address of the resident of this state designated by it upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

(2) Subject to rules and regulations which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance, subdivision, or class of risk or a part or combination thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules and regulations shall be given to subscribers. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner at a hearing held upon at least ten days' written notice to such rating organization and to such subscriber or insurer. If the commissioner finds that such rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified he shall make an order affirming its action.

(3) No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends,

savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

(4) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of Part I is hereby authorized, provided the filings resulting from such cooperation are subject to all the provisions of Part I which are applicable to filings generally. The commissioner may review such cooperative activities and practices and if, after a hearing, he finds that any such activity or practice is unfair and unreasonable or otherwise inconsistent with the provisions of Part I, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part I, and requiring the discontinuance of such activity or practice.

(5) Any rating organization may provide for the examination of policies, daily reports, binders, renewal certificates, endorsements or other evidences of insurance, or the cancellation thereof, and may make reasonable rules governing their submission. Such rules shall contain a provision that in the event any insurer does not within sixty days furnish satisfactory evidence to the rating organization of the correction of any error or omission previously called to its attention by the rating organization, it shall be the duty of the rating organization to notify the commissioner thereof. All information so submitted for examination shall be confidential.

(6) Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all members and subscribers without discrimination.

304.606 ADHERENCE TO FILINGS MADE BY RATING ORGANIZATIONS; DEVIATIONS: Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the commissioner for permission to file a deviation from the class rates, schedules, rating plans or rules respecting any kind of insurance, or class of risk within a kind of insurance, or combination thereof. Such application shall specify the basis for the modification and a copy thereof shall also be sent simultaneously to such rating organization. The commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten days' written notice thereof. In the event the commissioner is advised by the

rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearing. In considering the application for permission to file such deviation the commissioner shall give consideration to the available statistics and the principles for rate making as provided in KRS 304.602. The commissioner shall issue an order permitting the deviation for such insurer to be filed if he finds it to be justified and it shall thereupon become effective. He shall issue an order denying such application if he finds that the resulting premiums would be excessive, inadequate or unfairly discriminatory. Each deviation permitted to be filed shall be effective for a period of one year from the date of such permission unless terminated sooner with the approval of the commissioner.

304.607 APPEAL FROM ACTION OR DECISION OF RATING ORGANIZATION: Any member of or subscriber to a rating organization may appeal to the commissioner from the action or decision of such rating organization in approving or rejecting any proposed change in or addition to the filings of such rating organization and the commissioner shall, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization, issue an order approving the action or decision of such rating organization or directing it to give further consideration to such proposal, or, if such appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, he may, in the event he finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its members and subscribers, in a manner consistent with his findings, within a reasonable time after the issuance of such order.

304.608 FURNISHING OF INFORMATION AS TO RATES TO INSURED; REQUEST FOR REVIEW; APPEAL; HEARING: Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate. Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative,

on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within thirty days after it was made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty days after written notice of such action, appeal to the commissioner, who, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

304.609 ADVISORY ORGANIZATIONS; REGULATION OF:

(1) Every group, association or other organization of insurers, whether located within or outside this state, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under Part I, shall be known as an advisory organization.

(2) Every advisory organization shall file with the commissioner (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its bylaws, rules and regulations governing its activities, (2) a list of its members, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process issued at his direction may be served, and (4) an agreement that the commissioner may examine such advisory organization in accordance with the provisions of KRS 304.611.

(3) If, after a hearing, the commissioner finds that the furnishing of such information or assistance involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of Part I, he may issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part I, and requiring the discontinuance of such act or practice.

(4) No insurer which makes its own filings nor any rating organization shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this section or with an order of the commissioner involving such statistics or recommendations issued; under

subsection (3) of this section. If the commissioner finds such insurer or rating organization to be in violation of this subsection he may issue an order requiring the discontinuance of such violation.

304.610 JOINT UNDERWRITING OR JOINT REINSURANCE ORGANIZATIONS; REGULATION OF: (1) Every group, association or other organization of insurers which engage in joint underwriting or joint reinsurance, shall be subject to regulation with respect thereto as herein provided, subject, however, with respect to joint underwriting, to all other provisions of Part I and, with respect to joint reinsurance, to KRS 304.611, 304.614, 304.616, 304.018, 304.932, and 304.050.

(2) If, after a hearing the commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of Part I, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part I and requiring the discontinuance of such activity or practice.

304.611 EXAMINATION, BY COMMISSIONER, OF RATING ORGANIZATIONS, ADVISORY ORGANIZATIONS AND JOINT UNDERWRITING OR JOINT REINSURANCE ORGANIZATIONS; REPORT OF EXAMINATION; PUBLIC INSPECTION: The commissioner shall, at least once in five years, make or cause to be made an examination of each rating organization licensed in this state as provided in KRS 304.605 and he may, as often as he may deem it expedient, make or cause to be made an examination of each advisory organization referred to in KRS 304.609 and of each group, association or other organization referred to in KRS 304.610. The reasonable costs of any such examination shall be paid by the rating organization, advisory organization or group, association or other organization examined upon presentation to it of a detailed account of such costs. The officers, manager, agents and employees of such rating organizations, advisory organization, or group, association or other organization, may be examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. The commissioner shall furnish two copies of the examination report to the organization, group or association examined and shall notify such organization, group, or association that it may, within twenty days

thereafter, request a hearing on said report or on any facts or recommendations therein. Before filing any such report for public inspection, the commissioner shall grant a hearing to the organization, group or association examined. The report of any such examination, when filed for public inspection, shall be admissible in evidence in any action or proceeding brought by the commissioner against the organization, group or association examined, or its officers or agents, and shall be prima facie evidence of the facts stated therein. The commissioner may withhold the report of any such examination from public inspection for such time as he may deem proper. In lieu of any such examination the commissioner may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

304.612 RULES AND PLANS FOR RECORDING AND REPORTING OF LOSS AND EXPENSE EXPERIENCE; INTERCHANGE OF RATING PLAN DATA; CONSULTATION WITH OTHER STATES: (1) The commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether the rating systems comply with the standards set forth in KRS 304.602. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience. In promulgating such rules and plans, the commissioner shall give due consideration to the rating systems on file with him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it. The commissioner may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made

available, subject to reasonable rules promulgated by the commissioner, to insurers and rating organizations.

(2) Reasonable rules and plans may be promulgated by the commissioner for the interchange of data necessary for the application of rating plans.

(3) In order to further uniform administration of rate regulatory law, the commissioner and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult with them with respect to rate making and the application of rating systems.

304.614 HEARINGS BEFORE COMMISSIONER, PROCEDURE ON; DECISIONS: (1) Any insurer or rating organization aggrieved by any order or decision of the commissioner made without a hearing, may, within thirty days after notice of the order to the insurer or organization, make written request to the commissioner for a hearing thereon. The commissioner shall hear such party or parties within twenty days after receipt of such request and shall give not less than ten days' written notice of the time and place of the hearing. Within fifteen days after such hearing the commissioner shall affirm, reverse or modify his previous action, specifying his reasons therefor. Pending such hearing and decision thereon the commissioner may suspend or postpone the effective date of his previous action.

(2) Nothing contained in Part I shall require the observance at any hearing of formal rules of pleading or evidence.

304.616 SUSPENSION OF LICENSE OF RATING ORGANIZATION OR INSURER: The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the commissioner within the time limited by such order, or any extension thereof which the commissioner may grant. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or if an appeal has been taken, until such order has been affirmed. The commissioner may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him, unless he modifies or rescinds such suspension, or until the order upon which such suspension is based is modified, rescinded or reversed. No li-

cense shall be suspended or revoked except upon a written order of the commissioner, stating his findings, made after a hearing held upon not less than ten days' written notice to such person or organization specifying the alleged violation.

304.617 WITHHOLDING INFORMATION OR GIVING FALSE INFORMATION; PENALTIES: No person or organization shall willfully withhold information from or knowingly give false or misleading information to, the commissioner, any statistical agency designated by the commissioner, any rating organization, or any insurer, which will affect the rates or premiums chargeable under Part I. A violation of this section shall subject the one guilty of such violation to the penalties provided in KRS 304.616 and 304.990.

PART II

RATES OF CASUALTY AND SURETY INSURERS

304.625 KINDS OF INSURANCE AND INSURERS TO WHICH PART II APPLY; COVERAGE BY OTHER LAWS; DESIGNATION AS TO WHICH LAW TO APPLY: (1) KRS 304.625 to 304.647 inclusive shall constitute Part II of this article (hereinafter in this article referred to as Part II) and shall apply to all kinds, types or forms of casualty insurance as defined in KRS 304.348 and surety insurance as defined in KRS 304.350, on risks or operations in this state, and all other kinds, types or forms of motor vehicle insurance, all workmen's compensation and employers' liability insurance, except (a) disability insurance, (b) title insurance, (c) insurance against loss of or damage to, or against liability, other than workmen's compensation and employers' liability arising out of the ownership, maintenance or use of, any aircraft, and (d) reinsurance by one or more insurers of all or part of another insurer's primary insurance risks, other than joint reinsurance to the extent stated in KRS 304.637. Part II shall not apply to assessment or cooperative companies organized or operating under KRS Chapter 299.

(2) If any kind of insurance, subdivision or combination thereof, or type of coverage subject to Part II is also subject to regulation under Part I of this article, an insurer to which both Parts are otherwise applicable shall file with the commissioner a designation as to which Part shall be applicable to it with respect to such

kind of insurance, subdivision or combination thereof, or type of coverage.

304.626 MAKING OF RATES; PROVISIONS AND CONSIDERATIONS GOVERNING; UNIFORMITY NOT REQUIRED: (1) All rates shall be made in accordance with the following provisions:

(a) Due consideration shall be given to past and prospective loss experience within and outside this state, to catastrophe hazards, if any, to a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, to past and prospective expenses both countrywide and those specially applicable to this state, and to all other relevant factors within and outside this state;

(b) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(c) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that can be demonstrated to have a probable effect upon losses or expenses;

(d) Rates shall not be excessive, inadequate or unfairly discriminatory.

(2) Except to the extent necessary to meet the provisions of paragraph (d) of subsection (1) of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

304.627 FILING OF RATE MANUALS AND PLANS; SUPPORTING INFORMATION; FILING THROUGH RATING ORGANIZATION; REVIEW OF FILINGS; WAITING PERIODS; WHEN FILINGS EFFECTIVE; SPECIAL FILINGS; PERMISSION FOR EXCESS RATE; POLICIES MUST CONFORM TO FILED RATES: (1) Every insurer shall file with the commissioner

every manual of classifications, every manual of rules and rates, every rating plan and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof and shall indicate the character and extent of the coverage contemplated. When a filing is not accompanied by the information upon which the insurer supports such filing and the commissioner does not have sufficient information to determine whether such filing meets the requirements of Part II, he shall require such insurer to furnish the information upon which it supports such filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of the filing may include (1) the experience or judgment of the insurer or rating organization making the filing, (2) its interpretation of any statistical data it relies upon, (3) the experience of other insurers or rating organizations, or (4) any other relevant factors. A filing and any supporting information shall be open to public inspection after the filing becomes effective.

(2) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to a licensed rating organization which makes such filings, and by authorizing the commissioner to accept such filings on its behalf; provided, that nothing contained in Part II shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

(3) The commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the requirements of Part II.

(4) Subject to the exception specified in subsection (5) of this section, each filing shall be on file for a waiting period of fifteen days before it becomes effective, which period may be extended by the commissioner for an additional period not to exceed fifteen days if he gives written notice within such waiting period to the insurer or rating organization which made the filing that he needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the commissioner may authorize a filing which he has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of Part II unless disapproved by the Commissioner within the waiting period or any extension thereof.

(5) Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or by order, rule or regulation of a public body, not covered by a previous filing, shall become effective when filed and shall be deemed to meet the requirements of Part II until such time as the commissioner reviews the filing and so long thereafter as the filing remains in effect.

(6) Under such rules and regulations as he shall adopt the commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes or risks, the rates for which cannot practically be filed before they are used, or not customarily made by rating organizations. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make such examination as he may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in paragraph (d) of subsection (1) of KRS 304.626.

(7) Upon written application of the insured stating his reasons therefor, filed with and approved by the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

(8) No insurer shall make or issue a contract or policy except in accordance with filings which are in effect for said insurer as provided in Part II or in accordance with subsections (6) and (7) of this section.

304.628 DISAPPROVAL OF FILINGS; HEARINGS; APPLICATION BY PERSONS AGGRIEVED BY FILING: (1) If within the waiting period or any extension thereof as provided in subsection (4) of KRS 304.627, the commissioner finds that a filing does not meet the requirements of Part II, he shall send to the insurer or rating organization which made such filing written notice of disapproval of such filing specifying therein in what respects he finds such filing fails to meet the requirements of Part II and stating that such filing shall not become effective.

(2) If within thirty days after a special surety or guaranty filing subject to subsection (5) of KRS 304.627 has become effective, the commissioner finds that such filing does not meet the requirements of Part II, he shall send to the insurer or rating organization which made such filing written notice of disapproval

of such filing specifying therein in what respects he finds that such filing fails to meet the requirements of Part II and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Said disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in said notice.

(3) If at any time subsequent to the applicable review period provided for in subsection (1) and (2) of this section, the commissioner finds that a filing does not meet the requirements of Part II, he shall, after a hearing held upon not less than ten days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of Part II, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(4) Any person or organization aggrieved with respect to any filing which is in effect may make written application to the commissioner for a hearing thereon, provided, however, that the insurer or rating organization that made the filing shall not be authorized to proceed under this subsection. Such application shall specify the grounds to be relied upon by the applicant. If the commissioner shall find that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding such a hearing, he shall, within thirty days after receipt of such application, hold a hearing upon not less than ten days' written notice to the applicant and to every insurer and rating organization which made such filing. If after such hearing, the commissioner finds that the filing does not meet the requirements of Part II, he shall issue an order specifying in what respects he finds that such filing fails to meet the requirements of Part II, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to the applicant and to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(5) No manual of classifications, rules, rating plan or any modification of any of the foregoing which establishes standards for measuring variations in hazards or expense provisions, or both, and which has been filed pursuant to the requirements of KRS 304.627, shall be disapproved if the rates thereby produced meet the requirements of Part II.

304.630 RATING ORGANIZATIONS; LICENSING OF; FEE; SUSPENSION OR REVOCATION OF LICENSE; ADMISSION OF SUBSCRIBERS AND FURNISHING OF SERVICES; RULES; COOPERATION BETWEEN ORGANIZATIONS: (1) A corporation, an unincorporated association, a partnership or an individual, whether located within or outside this state, may make application to the commissioner for license as a rating organization for such kinds of insurance or subdivisions thereof as are specified in its application and shall file therewith (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its bylaws, rules and regulations governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served and (4) a statement of its qualifications as a rating organization. If the commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business conform to the requirements of law, he shall issue a license specifying the kinds of insurance or subdivision thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within sixty days of the date of its filing with him. Licenses issued pursuant to this section shall remain in effect for three years unless sooner suspended or revoked by the commissioner. The fee for the license shall be twenty-five dollars. Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this subsection. Every rating organization shall notify the commissioner promptly of every change in (1) its constitution, its articles of agreement or

association or its certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business, (2) its list of members and subscribers and (3) the name and address of the resident of this state designated by it upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

(2) Subject to rules and regulations which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance or subdivision thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules and regulations shall be given to subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner, at a hearing held upon at least ten days' written notice to such rating organization and to such subscriber or insurer. If the commissioner finds that such rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action.

(3) No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by the insurers to their policyholders, members or subscribers.

(4) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of Part II is hereby authorized, provided the filings resulting from such cooperation are subject to all the provisions of Part II which are applicable to filings generally. The commissioner may review such cooperative activities and practices and if, after a hearing, he finds that any such activity or practice is unfair or

unreasonable or otherwise inconsistent with the provisions of Part II, he may issue a written order specifying in what respect such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, and requiring the discontinuance of such activity or practice.

304.631 ADHERENCE TO FILINGS MADE BY RATING ORGANIZATIONS; DEVIATIONS: Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the commissioner for permission to file a uniform percentage decrease or increase to be applied to the premiums produced by the rating system so filed for a kind of insurance, or for a class of insurance which is found by the commissioner to be a proper rating unit for the application of such uniform percentage decrease or increase, or for a subdivision of a kind of insurance (1) comprised of a group of manual classifications which is treated as a separate unit for rate making purposes, or (2) for which separate expense provisions are included in the filings of the rating organization. Such application shall specify the basis for the modification and shall be accompanied by the data upon which the applicant relies. A copy of the application and data shall be sent simultaneously to such rating organization. The commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten days' written notice thereof. In the event the commissioner is advised by the rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearing. The commissioner shall issue an order permitting the modification for such insurer to be filed if he finds it to be justified and it shall thereupon become effective. He shall issue an order denying such application if he finds that the modification is not justified or that the resulting premiums would be excessive, inadequate or unfairly discriminatory. Each deviation permitted to be filed shall be effective for a period of one year from the date of such permission unless terminated sooner with the approval of the commissioner.

304.633 APPEAL FROM ACTION OR DECISION OF RATING ORGANIZATION: (1) Any member of or subscriber to a rating organization may appeal to the commissioner from the action or decision of such rating organization in approving or re-

jecting any proposed change in or addition to the filings of such rating organization and the commissioner shall, after a hearing held upon not less than ten days' notice to the appellant and to such rating organization, issue an order approving the action or decision of such rating organization or directing it to give further consideration to such proposal, or, if such appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, he may, in the event he finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its members and subscribers, in a manner consistent with his findings, within a reasonable time after the issuance of such order. (2) If such appeal is based upon the failure of the rating organization to make a filing on behalf of such member or subscriber which is based on a system of expense provisions, which differs, in accordance with the right granted in paragraph (b) of subsection (1) of KRS 304.626, from the system of expense provisions included in a filing made by the rating organization, the commissioner shall, if he grants the appeal, order the rating organization to make the requested filing for use by the appellant. In deciding such appeal the commissioner shall apply the standards set forth in KRS 304.626.

304.634 FURNISHING OF INFORMATION AS TO RATES TO INSURED; REQUEST FOR REVIEW; APPEAL; HEARING: (1) Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate.

(2) Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within thirty days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such

insurer on such request may, within thirty days after written notice of such action, appeal to the commissioner, who, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

304.636 ADVISORY ORGANIZATIONS; REGULATION OF:

(1) Every group, association or other organization of insurers, whether located within or outside this state, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under Part II, shall be known as an advisory organization.

(2) Every advisory organization shall file with the commissioner (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its bylaws, rules and regulations governing its activities, (2) a list of its members, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process issued at his direction may be served, and (4) an agreement that the commissioner may examine such advisory organization in accordance with the provisions of KRS 304.638.

(3) If, after a hearing, the commissioner finds that the furnishing of such information or assistance involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, he may issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, and requiring the discontinuance of such act or practice.

(4) No insurer which makes its own filings nor any rating organization shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this section or with an order of the commissioner involving such statistics or recommendations issued under subsection (3) of this section. If the commissioner finds such insurer or rating organization to be in violation of this subsection he may issue an order requiring the discontinuance of such violation.

304.637 JOINT UNDERWRITING OR JOINT REINSURANCE ORGANIZATIONS; REGULATION OF: (1) Every group,

association or other organization of insurers which engages in joint underwriting or joint reinsurance, shall be subject to regulation with respect thereto as herein provided, subject, however with respect to joint underwriting, to all other provisions of Part II, and, with respect to joint reinsurance, to KRS 304.638, 304.932, 304.018, 304.050, and 304.642 and 304.643.

(2) If, after a hearing the commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, and requiring the discontinuance of such activity or practice.

304.638 EXAMINATION, BY COMMISSIONER, OF RATING ORGANIZATIONS, ADVISORY ORGANIZATIONS, AND JOINT UNDERWRITING OR JOINT REINSURANCE ORGANIZATIONS; REPORT OF EXAMINATION; PUBLIC INSPECTION: The commissioner shall, at least once in five years, make or cause to be made an examination of each rating organization licensed in this state as provided in KRS 304.630, and he may, as often as he may deem it expedient, make or cause to be made an examination of each advisory organization referred to in KRS 304.636 and of each group, association or other organization referred to in KRS 304.637. The reasonable costs of any such examination shall be paid by the rating organization, advisory organization, or group, association or other organization examined upon presentation to it of a detailed account of such costs. The officers, manager, agents and employees of such rating organization, advisory organization, or group, association or other organization may be examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. The commissioner shall furnish two copies of the examination report to the organization, group or association examined and shall notify such organization, group or association that it may, within twenty days thereafter, request a hearing on said report or on any facts or recommendations therein. Before filing any such report for public inspection, the commissioner shall grant a hearing to the organization, group or association examined. The report of any such examination, when filed for public inspection, shall be admissible in evidence in any action or proceeding brought by the commissioner against the or-

ganization, group or association examined, or its officers or agents, and shall be prima facie evidence of the facts stated therein. The commissioner may withhold the report of any such examination from public inspection for such time as he may deem proper. In lieu of any such examination the commissioner may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

304.639 AGREEMENTS FOR EQUITABLE APPORTIONMENT OF INSURANCE UNOBTAINABLE THROUGH ORDINARY METHODS: Agreements may be made among insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance, such agreements and rate modifications to be subject to the approval of the commissioner.

304.641 RULES AND PLANS FOR RECORDING AND REPORTING OF LOSS AND EXPENSE EXPERIENCE; INTERCHANGE OF RATING PLAN DATA; CONSULTATION WITH OTHER STATES: (1) The commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss, and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether rating systems comply with the standards set forth in KRS 304.626. Such rules and plans may also provide for the recording and reporting of expense experience items which are specifically applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience. In promulgating such rules and plans, the commissioner shall give due consideration to the rating systems on file with him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. Each insurer shall record and report its loss experience on a classification basis consistent with the rating system filed by it.

Any insurer may report such experience direct to the commissioner or may satisfy its obligation to report such experience by becoming a member of, or a subscriber to, a licensed rating or qualified advisory organization which gathers, compiles and reports to the commissioner the experience required by this section and by authorizing the commissioner to accept such reports on its behalf. No insurer shall be required to report such experience to any licensed rating or qualified advisory organization of which it is not a member or subscriber. The experience of individual insurers thus reported to the commissioner shall not be revealed by him, except by court order, but the commissioner shall make a compilation of all such experience to the extent he may deem practicable and he shall, to the extent he may deem practicable, make a consolidation of all compilations filed with him and those made by him. All such compilations and consolidations shall be available to licensed insurers and licensed rating and qualified advisory organizations and shall also be open to public inspection, subject to reasonable rules promulgated by the commissioner.

(2) Reasonable rules and plans may be promulgated by the commissioner for the interchange of data necessary for the application of rating plans.

(3) In order to further uniform administration of rate regulatory laws, the commissioner and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult with them with respect to rate making and the application of rating systems.

304.642 HEARINGS BEFORE COMMISSIONER, PROCEDURE ON; DECISION: (1) Any insurer or rating organization aggrieved by any order or decision of the commissioner made without a hearing, may, within thirty days after notice of the order to the insurer or organization, make written request to the commissioner for a hearing thereon. The commissioner shall hear such party or parties within twenty days after receipt of such request and shall give not less than ten days' written notice of the time and place of the hearing. Within fifteen days' after such hearing the commissioner shall affirm, reverse or modify his previous action, specifying his reasons therefor. Pending such hearing and

decision thereon the commissioner may suspend or postpone the effective date of his previous action.

(2) Nothing contained in Part II shall require the observance at any hearing of formal rules of pleading or evidence.

304.642 SUSPENSION OF LICENSE OF RATING ORGANIZATION OR INSURER: The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the commissioner within the time limited by such order, or any extension thereof which the commissioner may grant. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or, if an appeal has been taken, until such order has been affirmed. The commissioner may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him, unless he modifies or rescinds such suspension, or until the order upon which such suspension is based is modified, rescinded or reversed. No license shall be suspended or revoked except upon a written order of the commissioner, stating his findings, made after a hearing held upon not less than ten days' written notice to such person or organization specifying the alleged violation.

304.644 WITHHOLDING INFORMATION OR GIVING FALSE INFORMATION; PENALTIES: No person or organization shall willfully withhold information from, or knowingly give false or misleading information to, the commissioner, any statistical agency designated by the commissioner, any rating organization or any insurer, which will affect the rates or premiums chargeable under Part II. A violation of this section shall subject the one guilty of such violation to the penalties provided in KRS 304.643 and in paragraph (k) of subsection (1) of KRS 304.990.

ARTICLE SEVENTEEN

THE INSURANCE CONTRACT

304.648 SCOPE OF ARTICLE: The applicable provisions of this article shall apply to insurances other than ocean marine and foreign trade insurances. This article shall not apply as to insurance contracts not issued for delivery in this state, nor shall this article apply as to insurance contracts not delivered in this state.

304.649 POWER TO CONTRACT: (1) Any person of competent legal capacity may contract for insurance.

(2) A minor not less than fifteen (15) years of age as at nearest birthday may, notwithstanding such minority, contract for life or disability insurance on his own life or body, for his own benefit or for the benefit of his father, mother, spouse, child, brother, sister, or grandparent. A minor not less than fifteen (15) years of age as at nearest birthday shall, notwithstanding such minority, be deemed competent to exercise all rights and powers with respect to or under any contract of life or disability insurance on his own life or body, as though of full legal age, and may surrender his interest therein and give a valid discharge for any benefit accruing or money payable thereunder. The minor shall not, by reason of his minority, be entitled to rescind, avoid, or repudiate the contract, or any exercise of a right or privilege thereunder; except, that such minor, not otherwise emancipated, shall not be bound by any unperformed agreement to pay, by promissory note or otherwise, any premium on any such insurance contract.

304.650 INSURABLE INTEREST—PERSONAL INSURANCE: (1) Any individual of competent legal capacity may procure or effect an insurance contract upon his own life or body for the benefit of any person. But no person shall procure or cause to be procured any insurance contract upon the life or body of another individual unless the benefits under such contract are payable to the individual insured or his personal representatives, or to a person having, at the time when such contract was made, an insurable interest in the individual insured.

(2) If the beneficiary, assignee or other payee under any contract made in violation of this section receives from the insurer any benefits thereunder accruing upon the death, disablement or injury of the individual insured, the individual insured or his executor or administrator, as the case may be, may maintain an action to recover such benefits from the person so receiving them.

(3) "Insurable interest" as used in this section and in KRS 304.653 includes only interests as follows:

(a) In the case of individuals related closely by blood or by law, a substantial interest engendered by love and affection; and

(b) in the case of other persons, a lawful and substantial economic interest in having the life, health or bodily safety of the in-

dividual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement or injury of the individual insured.

(c) An individual heretofore or hereafter party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a close corporation or of an interest in such shares, has an insurable interest in the life of each individual party to such contract and for the purposes of such contract only, in addition to any insurable interest which may otherwise exist as to the life of such individual.

304.651 INSURABLE INTEREST — PROPERTY INSURANCES: (1) No contract of insurance on property or of any interest therein or arising therefrom shall be enforceable as to the insurance except for the benefit of persons having an insurable interest in the things insured.

(2) "Insurable interest" as used in this section means any lawful and substantial economic interest in the safety or preservation of the subject of the insurance free from loss, destruction or pecuniary damage.

304.652 INTEREST OF THE INSURED: When the name of a person intended to be insured is specified in the policy, such insurance can be applied only to his own proper interest. This section shall not apply to life, disability or title insurance.

304.653 APPLICATION FOR INSURANCE REQUIRED: No life or disability insurance policy upon an individual, except a policy of group life insurance or of group or blanket disability insurance as defined in this code, shall be made or effectuated unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, in writing applies therefor or consents thereto, except in the following cases:

(1) A spouse may effectuate such insurance upon the other spouse.

(2) Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance, may effectuate insurance upon the life of or pertaining to the minor.

304.654 ALTERATION OF APPLICATION: (1) Any application for insurance in writing by the applicant shall be altered

solely by the applicant or by his written consent, except that insertions may be made by the insurer for administrative purposes only in such manner as to indicate clearly that such insertions are not to be ascribed to the applicant.

(2) No person shall falsify or cause to be falsified, in any application for insurance, any answer to a question propounded to the applicant therein, or insert or cause to be inserted therein, except as provided in subsection (1) of this section, any statement to be made by such applicant other than the statement made by the applicant.

(3) An insurer issuing a policy upon an application which has been unlawfully altered by its officer, employee, or agent shall not have available in any action arising out of such policy, any defense based upon the fact of such alteration, or as to any item which was so altered.

304.655 APPLICATION AS EVIDENCE: (1) No application for the issuance of any life insurance policy shall be admissible in evidence in any action relative to such policy, unless a true copy of the application was attached to or otherwise made a part of the policy when issued and delivered. A photostatic or other process copy or reduction of the application or medical examination, if any, may be so used if clearly legible. This provision shall not apply to industrial life insurance policies.

(2) If any policy of life or disability insurance delivered in this state is reinstated or renewed, and the insured or the beneficiary or assignee of the policy makes written request to the insurer for a copy of the application, if any, for such reinstatement or renewal, the insurer shall, within thirty (30) days after receipt of such request at its home office or any of its branch offices, deliver or mail to the person making such request, a copy of such application. If such copy is not so delivered or mailed, the insurer shall be precluded from introducing such application as evidence in any action or proceeding based upon or involving the policy or its reinstatement or renewal.

(3) As to kinds of insurance other than life insurance, no application for insurance signed by or on behalf of the insured shall be admissible in evidence in any action between the insured and the insurer arising out of the policy so applied for, if the insurer has failed, within thirty (30) days after receipt by the insurer

of written demand therefor by or on behalf of the insured, to furnish to the insured a copy of such application reproduced by any legible means.

304.656 WARRANTIES, MISREPRESENTATIONS IN APPLICATIONS: All statements or descriptions in any application for an insurance policy or in negotiations therefor, by or in behalf of the insured, shall be deemed to be representations and not warranties. Misrepresentations, unless material or fraudulent, shall not prevent a recovery on the policy.

304.657 APPROVAL OF FORMS: (1) No basic insurance policy form other than surety bond forms, or application form where written application is required and is to be made part of the policy, or printed life or disability rider or endorsement form shall be issued, delivered, or used unless it has been filed with and approved by the commissioner. This section shall not apply to policies, riders or endorsements of unique character designed for and used with relation to insurance upon a particular subject, or which relate to the manner of distribution of benefits or to the reservation of rights and benefits under life or disability insurance policies, and which are used at the request of the individual policyholder, contract holder or certificate holder.

(2) Every such filing shall be made not less than fifteen (15) days in advance of any such issuance, delivery, or use. At the expiration of such fifteen (15) days the form so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by order of the commissioner. The commissioner may extend by not more than an additional fifteen (15) days the period within which he may so affirmatively approve or disapprove any such form, by giving notice of such extension before expiration of the initial fifteen-day period. At the expiration of any such period as so extended, and in the absence of such prior affirmative approval or disapproval, any such form shall be deemed approved. Approval of any such form by the commissioner shall constitute a waiver of any unexpired portion of such initial fifteen-day waiting period.

(3) The commissioner's order disapproving any such form shall state the grounds therefor. The commissioner may, for cause after a hearing, withdraw a previous approval.

(4) No such form shall knowingly be so issued or delivered as to which the commissioner's approval does not then exist.

(5) The commissioner may, by order, exempt from the requirements of this section for so long as he deems proper, any insurance document or form or type thereof as specified in such order, to which in his opinion this section may not practicably be applied, or the filing and approval of which are, in his opinion, not desirable or necessary for the protection of the public.

304.658 GROUNDS FOR DISAPPROVAL: The commissioner shall disapprove any such form of policy, application, rider, or endorsement, or withdraw any previous approval thereof, only

(1) if it is in any respect in violation of or does not comply with this code; or

(2) if it does not comply with any applicable filing theretofore made and approved; or

(3) if it contains or incorporates by reference any inconsistent, ambiguous or misleading clauses, or exceptions and conditions which deceptively affect the risk purported to be assumed in the general coverage of the contract; or

(4) if it has any title, heading, or other indication of its provisions which is misleading; or

(5) if any material part of the policy is printed in type substantially illegible.

304.660 STANDARD PROVISIONS IN GENERAL: (1) Policies shall contain such standard provisions as are required by the applicable articles of this code pertaining to contracts of particular kinds of insurance. The commissioner may waive the required use of a particular standard provision in a particular insurance policy form if

(a) He finds such provision unnecessary for the protection of the insured, and inconsistent with the purposes of the policy, and

(b) the policy is otherwise approved by him.

(2) No policy shall contain any provision inconsistent with or contradictory to any such standard provision used or required to be used, but the commissioner may approve a substitute provision which is in his opinion not less favorable to the insured than the standard provision or optional standard provision otherwise required. No endorsement, rider, or other documents attached to such policy shall vary, extend, or in any respect conflict with any such standard provision, or such approved substitute provision, contained or required to be contained in the policy. Any waiver or attempted

waiver by the insured of any such standard or substitute provision shall be void.

(3) In lieu of the standard provisions required by this code for policies for particular kinds of insurance, substantially similar standard provisions required by the law of a foreign or alien insurer's domicile may be used when approved by the commissioner.

304.661 CONTENTS OF POLICIES IN GENERAL: (1) The written instrument, in which a contract of insurance is set forth, is the policy.

(2) A policy shall specify:

(a) The names of the parties to the contract. The policy shall be headed by the insurer's own and proper corporate name.

(b) The subject of the insurance.

(c) The risks insured against and the amount of insurance.

(d) The time at which the insurance thereunder takes effect and the period during which the insurance is to continue.

(e) A statement of the premium, other than as to surety bonds, and if other than life, disability, or title insurance, the premium rate. As to title insurance, a statement of the premium need not be contained in the policy if such statement is contained in the application for the policy.

(f) The conditions pertaining to the insurance.

(3) If under the contract the exact amount of premiums is determinable only at termination of the contract, or at periodic intervals of the contract, a statement of the basis and rates upon which the final premium is to be determined and paid shall be furnished any policy examining bureau having jurisdiction or to the insured upon request.

(4) This section shall not apply to surety insurance, or to group insurance policies or contracts.

304.662 ADDITIONAL CONTENTS: A policy may contain additional provisions, which are not inconsistent with this code, and which are

(1) required to be so inserted by the laws of the insurer's state of domicile; or

(2) appropriate, on account of the manner in which the insurer is constituted or operated, to state the rights and obligations of the parties to the contract.

304.663 CHARTER, BY-LAW PROVISIONS: No policy shall contain any provision purporting to make any portion of the charter, by-laws, or other constituent document or rules of the insurer a part of the contract unless such portion is set forth in full in the policy. Any policy provision in violation of this section shall be invalid.

304.666 STATED PREMIUM INCLUDE ALL CHARGES: (1) All fees, charges, premiums, or other consideration charged for the insurance or for the procurement thereof shall be stated in the policy.

(2) No insurer or its officer, employee, agent, solicitor, or other representative shall charge, or receive any fee, compensation, or consideration for insurance which is not included in the premium or stated in the policy.

(3) This section shall not apply as to surety insurance, title insurance, or as to group insurance.

304.667 MUST CONTAIN ENTIRE CONTRACT: (1) No agreement in conflict with, modifying, or extending any contract of insurance shall be valid unless in writing and made a part of the policy.

(2) No insurer or its representative shall make any insurance contract or agreement relative thereto other than as is plainly expressed in the policy.

(3) The requirements of this section shall not apply to the granting of additional benefits to all policyholders of an insurer, or a class or classes of them, which do not require increases in premium rates or reduction or restrictions of coverage.

304.669 LIMITING ACTIONS, JURISDICTION: (1) No insurance contract delivered or issued for delivery in this state and covering subjects located, resident, or to be performed in this state, shall contain any condition, stipulation or agreement

(a) requiring it to be governed by the laws of any other state or country except as necessary to meet the requirements of the motor vehicle financial responsibility laws of such other state or country; or

(b) depriving the courts of this state of the jurisdiction of action against the insurer.

(2) Any such condition, stipulation, or agreement in violation of this section shall be void, but such voiding shall not affect the validity of the other provisions of the contract.

304.671 EXECUTION OF POLICIES: (1) Every insurance contract shall be executed in the name of and on behalf of the insurer by its officer, attorney-in-fact, employee or representative duly authorized by the insurer.

(2) A facsimile signature of any such executing officer, attorney-in-fact, employee, or representative may be used in lieu of an original signature.

(3) No insurance contract heretofore or hereafter issued and which is otherwise valid shall be rendered invalid by reason of the apparent execution thereof on behalf of the insurer by the imprinted facsimile signature of any individual not authorized so to execute as of the date of the policy, if the policy is countersigned with the original signature of an individual then so authorized to countersign.

304.672 DURATION OF BINDERS: (1) A "binder" is used to bind insurance temporarily pending the issuance of the policy. No binder shall be valid beyond the issuance of the policy as to which it was given, or beyond such reasonable period as shall be established by rules and regulations promulgated by the commissioner after a hearing thereon.

(2) This section shall not apply as to policies or contracts issued by life or disability insurers.

304.673 LIABILITY OF AGENT ON BINDER: The commissioner may suspend or revoke the license of any agent issuing or purporting to issue any binder as to any insurer named therein as to which he is not then authorized so to bind.

304.674 UNDERWRITERS' AND COMBINATION POLICIES: (1) Two (2) or more authorized insurers may jointly issue, and shall be jointly and severally liable on, an underwriters' policy bearing their names. Any one insurer may issue policies in the name of an underwriter's department and such policies shall plainly show the true name of the insurer.

(2) Two (2) or more authorized insurers may, with the commissioner's approval, issue a combination policy which shall contain provisions substantially as follows:

(a) That the insurers executing the policy shall be severally liable for the full amount of any loss or damage, according to the terms of the policy, or for specified percentages or amounts thereof, aggregating the full amount of insurance under the policy.

(b) That service of process, or of any notice of proof of loss required by such policy, upon any of the insurers executing the policy, shall constitute service upon all such insurers.

(3) This section shall not apply to co-surety obligations.

304.677 DELIVERY OF POLICY: (1) Subject to the insurer's requirements as to payment of premium, every policy shall be mailed or delivered to the insured or to the person entitled thereto within a reasonable period of time after its issuance.

(2) In event the original policy is delivered or is so required to be delivered to or for deposit with any vendor, mortgagee, or pledgee of any motor vehicle or aircraft, and in which policy any interest of the vendee, mortgagor, or pledgor in or with reference to such vehicle or aircraft is insured, a duplicate of such policy, or memorandum thereof setting forth the name and address of the insurer, type of coverage, limit of liability, premiums for the respective coverages, and duration of the policy, shall be delivered by the vendor, mortgagee, or pledgee to each such vendee, mortgagor, or pledgor named in the policy or coming within the group of persons designated in the policy to be so included. If the policy does not provide coverage of legal liability for injury to persons or damage to the property of third parties, a statement of such fact shall be printed, written, or stamped conspicuously on the face of such duplicate policy or memorandum.

304.679 RENEWAL OF POLICY: Any insurance policy terminating by its terms at a specified expiration date and not otherwise renewable, may be renewed or extended at the option of the insurer, upon a currently authorized policy form and at the premium rate then required therefor, for a specific additional period or periods by a certificate or by endorsement of the policy, and without requiring the issuance of a new policy.

304.684 ANNULMENT OF LIABILITY POLICIES: No insurance contract insuring against loss or damage through legal liability for the bodily injury or death by accident or any individual, or for damage to the property of any person, shall be retroactively an-

nulled by any agreement between the insurer and insured after the occurrence of any such injury, death, or damage for which the insured may be liable, and any such annulment attempted shall be void.

304.685 DIVIDENDS PAYABLE TO REAL PARTY: (1) Every insurer issuing participating policies, shall pay dividends, unused premium refunds or savings distributed on account of any such policy, only to the real party in interest entitled thereto as shown by the insurer's records, or to any person to whom the right thereto has been assigned in writing of record with the insurer, or given in the policy by such real party in interest.

(2) Any person who is shown by the insurer's records to have paid for his own account, or to have been ultimately charged for, the premium for insurance provided by a policy in which another person is the nominal insured, shall be deemed such real party in interest proportionate to premium so paid or so charged. This subsection shall not apply as to any such dividend, refund, or distribution which would amount to less than one dollar (\$1).

(3) This section shall not apply to contracts of group life insurance, group annuities, or group disability insurance, nor to policies issued prior to the effective date of this code, nor to any policy which contains a provision specifying to whom the dividends shall be paid.

304.687 ASSIGNMENT OF POLICIES: (1) A policy may be assignable or not assignable, as provided by its terms.

(2) Subject to the terms of the policy relating to its assignability, whether such policies were heretofore or are hereafter issued, any policy under the terms of which the beneficiary may be changed upon the sole request of the insured, may be assigned either by pledge or transfer of title, by an assignment executed by the insured alone and delivered to the insurer, whether or not the pledgee or assignee is the insurer. Any such assignment shall entitle the insurer to deal with the assignee as the owner or pledgee of the policy in accordance with the terms of the assignment, until the insurer has received at its home office written notice of termination of the assignment or pledge.

304.688 PAYMENT DISCHARGES INSURER: Whenever the proceeds of, or payments under, a policy or contract heretofore or

hereafter issued by a life or disability insurer, become payable in accordance with the terms of such policy or contract, or the exercise of any right or privilege thereunder and the insurer makes payment thereof in accordance with the terms of the policy or in accordance with written assignment thereof, the person then designated in the policy or by such assignment as being entitled thereto, shall be entitled to receive such proceeds or payments from the insurer and to give full acquittance therefor, and such payment shall fully discharge the insurer from all claims under the policy unless, before payment is made, the insurer has received at its home office, written notice by or on behalf of some other person that such other person claims to be entitled to such payment or some interest in the policy.

304.689 MINOR MAY GIVE ACQUITTANCE: Any minor domiciled in this state who has attained the age of eighteen (18) years, shall be deemed competent to receive and to give full acquittance and discharge for a payment or payments in aggregate amount not exceeding two thousand dollars (\$2,000) in any one year, made by a life insurer as benefits payable to a minor in compliance with the provisions of an insurance policy or annuity contract or settlement agreement. No such minor shall be deemed competent to alienate the right to, or to anticipate, such payments. This section shall not be deemed to restrict the rights of minors insured pursuant to subsection (2) of KRS 304.649.

304.690 EXEMPTION OF PROCEEDS—DISABILITY: The proceeds or avails of all contracts of disability insurance and of provisions providing benefits on account of the insured's disability which are supplemental to life insurance or annuity contracts heretofore or hereafter effected shall be exempt from all liability for any debt of the insured, and from any debt of the beneficiary existing at the time the proceeds are made available for his use.

304.691 EXEMPTION OF PROCEEDS—LIFE: (1) When a policy of insurance is effected by any person on his own life or on another life in favor of some person other than himself having an insurable interest therein, the lawful beneficiary thereof, other than the person effecting the insurance or his legal representatives, shall be entitled to its proceeds against the creditors and representatives of the person effecting the same.

(2) Subject to the statute of limitations, the amount of any premiums for such insurance paid in fraud of creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy, but the insurer issuing the policy shall be discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless, before such payment, the insurer received written notice by or in behalf of some creditor, with specification of the amount claimed, claiming to recover for certain premiums paid in fraud of creditors.

(3) For the purposes of subsection (1) of this section a policy shall also be deemed to be payable to a person other than the insured if and to the extent that a facility-of-payment clause or similar clause in the policy permits the insurer to discharge its obligation after the death of the individual insured by paying the death benefits to a person as permitted by such clause.

304.692 EXEMPTION OF PROCEEDS—GROUP LIFE: (1) A policy of group life insurance or the proceeds thereof payable to the individual insured or to the beneficiary thereunder, shall not be liable, either before or after payment, to be applied by any legal or equitable process to pay any liability of any person having a right under the policy. The proceeds thereof, when not made payable to a named beneficiary or to a third person pursuant to a facility-of-payment clause, shall not constitute a part of the estate of the individual insured for the payment of his debts.

(2) This section shall not apply to group life insurance policies issued under KRS 304.841 (debtor groups) to the extent that such proceeds are applied to payment of the obligation for the purpose of which the insurance was so issued.

304.693 EXEMPTION OF PROCEEDS—ANNUITIES: (1) The benefits, rights, privileges and options which under any annuity contract heretofore or hereafter issued are due or prospectively due the annuitant, shall not be subject to execution nor shall the annuitant be compelled to exercise any such rights, powers, or options, nor shall creditors be allowed to interfere with or terminate the contract, except:

(a) As to amounts paid for or as premium on any such annuity with intent to defraud creditors, with interest thereon, and

of which the creditor has given the insurer written notice at its home office prior to the making of the payments to the annuitant out of which the creditor seeks to recover. Any such notice shall specify the amount claimed or such facts as will enable the insurer to ascertain such amount, and shall set forth such facts as will enable the insurer to ascertain the insurance or annuity contract, the person insured or annuitant and the payments sought to be avoided on the ground of fraud.

(b) The total exemption of benefits presently due and payable to any annuitant periodically or at stated times under all annuity contracts under which he is an annuitant, shall not at any time exceed two hundred and fifty dollars (\$250) per month for the length of time represented by such installments, and that such periodic payment in excess of two hundred and fifty dollars (\$250) per month shall be subject to garnishee execution to the same extent as are wages and salaries.

(c) If the total benefits presently due and payable to any annuitant under all annuity contracts under which he is an annuitant, shall at any time exceed payment at the rate of two hundred and fifty dollars (\$250) per month, then the court may order such annuitant to pay to a judgment creditor or apply on the judgment, in installments, such portion of such excess benefits as to the court may appear just and proper, after due regard for the reasonable requirements of the judgment debtor and his family, if dependent upon him, as well as any payments required to be made by the annuitant to other creditors under prior court orders.

(2) If the contract so provides, the benefits, rights, privileges or options accruing under such contract to a beneficiary or assignee shall not be transferable nor subject to commutation, and if the benefits are payable periodically or at stated times, the same exemptions and exceptions contained herein for the annuitant, shall apply with respect to such beneficiary or assignee.

(3) An annuity contract within the meaning of this section shall be any obligation to pay certain sums at stated times, during life or lives, or for a specified term or terms, issued for a valuable consideration, regardless of whether or not such sums are payable to one (1) or more persons, jointly or otherwise, but does not include payments under life insurance contracts at stated time during life or lives, or for a specified term or terms.

304.695 RIGHTS OF MARRIED WOMEN IN LIFE INSURANCE: (1) Every life insurance policy made payable to or for the benefit of or duly assigned or transferred to a married woman, or to any person in trust for her, shall inure to her separate use and benefit and that of her children, independently of her husband or his creditors or any other person effecting or transferring the policy or his creditors.

(2) A married woman may, without consent of her husband, contract, pay for, take out and hold a policy on the life or health of her husband or children, or against loss by his or their disablement by accident. The premiums paid on the policy shall be held to have been her separate estate, and the policy shall inure to her separate use and benefit and that of her children, free from any claim of her husband or others.

(3) If the premium on any such policy is paid by any person with intent to defraud his creditors, an amount equal to the premium so paid, with interest thereon, shall inure to the benefit of the creditors, subject to the statute of limitations.

304.697 FORMS FOR PROOF OF LOSS FURNISHED: An insurer shall furnish upon written request of any person claiming to have a loss under any insurance contract, forms of proof of loss for completion by such person, but such insurer shall not, by reason of the requirement so to furnish forms, have any responsibility or liability for or with reference to the completion of such proof or the manner of any such completion or attempted completion.

304.698 CLAIM ADMINISTRATION NOT WAIVER: None of the following acts by or on behalf of an insurer shall be deemed to constitute a waiver of any provision of a policy or of any defense of the insurer thereunder:

(1) Acknowledgment of the receipt of notice of loss or claim under the policy.

(2) Furnishing forms for reporting a loss or claim, for giving information relative thereto, or for making proof of loss, or receiving or acknowledging receipt of any such forms or proofs completed or uncompleted.

(3) Investigating any loss or claim under any policy or en-

gaging in negotiations looking toward a possible settlement of any such loss or claim.

304.701 **VALIDITY OF NON-COMPLYING FORMS:** Any insurance policy, rider, or endorsement hereafter issued and otherwise valid, which contains any condition or provision not in compliance with the requirements of this code, shall not be rendered invalid thereby, but shall be construed and applied in accordance with such conditions and provisions as would have applied had such policy, rider, or endorsement been in full compliance with this code.

304.702 **CONSTRUCTION OF POLICIES:** Every insurance contract shall be construed according to the entirety of its terms and conditions as set forth in the policy, and as amplified, extended, or modified by any rider, endorsement, or application attached to and made a part of the policy.

ARTICLE EIGHTEEN

DISABILITY INSURANCE

304.708 **SCOPE OF ARTICLE:** This article applies to all disability insurance contracts other than contracts of group or blanket disability insurance. This article shall not be deemed to apply to reinsurance or to any contract of Workmen's Compensation insurance, or to any policy of liability insurance with or without supplementary expense coverage therein, or to disability benefits supplemental to life insurance and life annuities and included within the definition of life insurance under this code.

304.709 **FORMAT OF DISABILITY POLICIES:** (1) No disability policy shall be issued or delivered to any person in this state unless it otherwise complies with this code, and complies with the following:

(a) The times at which the insurance takes effect and terminates shall be clearly stated in the policy.

(b) The policy shall not purport to insure more than one (1) person, unless it provides "family expense disability insurance" as defined in this article.

(c) Every printed portion thereof and of any endorsements or attached papers shall be plainly printed in type of which the face is not smaller than ten point.

(d) Except in the case of transportation ticket policies, a brief description of the policy shall be printed on its first page and on the filing back in type with the face not smaller than fourteen point.

(e) The exceptions of the policy shall be printed with prominence not less than that of the benefits to which they apply.

(f) If any portion of the policy purports, by reason of the circumstances under which a loss is incurred, to reduce any indemnity to an amount less than that provided for the same loss occurring under ordinary circumstances, such portion shall be printed in boldfaced type with greater prominence than any other portion of the text of the policy.

(g) Each such policy form, and rider or endorsement to be made a part thereof, shall be identified by a form number in the lower lefthand corner of the first page of each folio and of each separately printed insert sheet.

(2) If any policy is issued by a domestic insurer for delivery to an individual residing in another state, and if the official having responsibility for the administration of the insurance laws of such other state has informed the commissioner that any such policy is not subject to approval or disapproval by such official, the commissioner may by ruling require that such policy meet the standards and requirements for disability insurance policies contained in this code.

304.712 STANDARD PROVISIONS REQUIRED: Except as otherwise provided in KRS 304.660, or by this article, every disability policy shall contain certain standard provisions, which shall be in the words, and in the order of the number, of each provision as set forth in this article and shall be preceded in every policy by the caption, "Standard Provisions."

304.713 DESIGNATION OF INSURER: In each such standard provision wherever the word "insurer" is used, there shall be substituted therefor "company", "corporation", "association", "society", "exchange", or such word as will properly designate the insurer.

304.714 STANDARD PROVISION NO. 1—THE CONTRACT: There shall be a standard provision relative to the contract which shall be in one of the following three forms. Form (A) shall be

used in policies which do not provide for reduction of indemnity on account of change of occupation, and form (B) shall be used in policies which do so provide. Form (C) shall be used in all policies providing for reduction of indemnity on account of change of occupation only as respects part of the accident coverage or part of the health coverage thereunder. If form (B) or form (C) is used and the policy provides indemnity against loss from sickness, the words "or contract sickness" may be inserted therein immediately after the words "in the event that the insured is injured." If form (C) is used and the policy provides indemnity against loss from sickness the words "or sickness" may be inserted therein immediately after the words "where the injuries."

(A) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance. No reduction shall be made in any indemnity herein provided by reason of change in the occupation of the insured or by reason of his doing any act or thing pertaining to any other occupation.

(B) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance except as it may be modified by the insurers' classification or risks and premium rates in the event that the insured is injured after having changed his occupation to one classified by the insurer as more hazardous than that stated in the policy, or while he is doing any act or thing pertaining to any occupation so classified, except ordinary duties about his residence or while engaged in recreation, in which event the insurer will pay only such portion of the indemnities provided in the policy as the premium paid would have purchased at the rate but within the limits so fixed by the insurer for such more hazardous occupation.

If the law of the state in which the insured resides at the time this policy is issued requires that prior to its issue a statement of the premium rates and classification of risks pertaining to it shall be filed with the state official having supervision of insurance in such state, then the premium rates and classification of risks mentioned in this policy shall mean only such as have been last filed by the insurer in accordance with such law, but if such filing is not required by such law, then they shall mean the insurer's premium rates and classification of risks last made effec-

tive by it in such state prior to the occurrence of the loss for which the insurer is liable.

(C) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance except as it may be modified by the insurer's classification of risks and premium rates in the event that the insured is injured after having changed his occupation to one classified by the insurer as more hazardous than that stated in the policy, or while he is doing any act or thing pertaining to any occupation so classified, except ordinary duties about his residence or while engaged in recreation, in which event the insurer will pay only such portion of the indemnities provided in the policy as the premium paid would have purchased at the rate but within the limits so fixed by the insurer for such more hazardous occupation. No such mentioned modification or reduction shall be effective with respect to indemnities which by the terms of the policy, including any riders attached thereto, are not subject to modification or reduction where the injuries do not arise out of or in the course of the insured's occupation or employment.

If the law of the state in which the insured resides at the time this policy is issued requires that prior to its issue a statement of the premium rates and classification of risks pertaining to it shall be filed with the state official having supervision of insurance in such state then the premium rates and classification of risks mentioned in this policy shall mean only such as have been last filed by the insurer in accordance with such law, but if such filing is not required by such law they shall mean the insurer's premium rates and classification of risks last made effective by it in such state prior to the occurrence of the loss for which the insurer is liable.

304.715 STANDARD PROVISION NO. 2—C O N T R A C T CHANGES: Except in the case of transportation ticket policies, there shall be a standard provision relative to change in the contract, which shall be in the following form:

2. No statement made by the applicant for insurance not included herein shall avoid the policy or be used in any legal proceeding hereunder. No agent has authority to change this policy or to waive any of its provisions. No change in this policy shall

be valid unless approved by an executive officer of the insurer and such approval be endorsed hereon.

304.716 STANDARD PROVISION NO. 3—REINSTATEMENT: Except in the case of policies which do not provide for renewal, there shall be a standard provision relative to reinstatement of the policy after lapse, which shall be in any of the three following forms: Form (A) shall be used in policies which insure only against loss from accident; form (B) shall be used in policies which insure only against loss from sickness; and form (C) shall be used in policies which insure against loss from both accident and sickness.

(A) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy, but only to cover loss resulting from accidental injury thereafter sustained.

(B) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy but only to cover such sickness as may begin more than ten (10) days after the date of such acceptance.

(C) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy but only to cover accidental injury thereafter sustained and such sickness as may begin more than ten (10) days after the date of such acceptance.

304.717 STANDARD PROVISION NO. 4—NOTICE OF CLAIM: There shall be a standard provision relative to time of notice of claim, which shall be in any of the three following forms: Form (A) shall be used in policies which insure only against loss from accident; form (B) shall be used in policies which insure only against loss from sickness, and form (C) shall be used in policies which insure against loss from both accident and sickness and may be used in all schedule type policies. If form (A) or form (C) is used the insurer may at its option add thereto the following: "In event of accidental death immediate notice thereof must be given

to the insurer." The words in parentheses may be used only in schedule type policies.

(A) 4. Written notice of injury on which claim may be based must be given to the insurer within twenty (20) days after the date of the accident causing such injury.

(B) 4. Written notice of sickness on which claim may be based must be given to the insurer within ten (10) days after the commencement of the disability from such sickness.

(C) 4. Written notice of injury or of sickness (if covered by this policy) on which claim may be based must be given to the insurer within twenty (20) days after the date of the accident causing such injury or within ten (10) days after the commencement of disability from such sickness.

304.718 STANDARD PROVISION NO. 5—SUFFICIENCY OF NOTICE: There shall be a standard provision relative to sufficiency of notice of claim, which shall be in the following form and in which the insurer shall insert in the blank space such office and its location as it may desire to designate for such purpose of notice.

5. Such notice given by or in behalf of the insured or beneficiary, as the case may be, to the insurer at or to any authorized agent of the insurer, with particulars sufficient to identify the insured, shall be deemed to be notice to the insurer. Failure to give notice within the time provided in this policy shall not invalidate any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.

304.719 STANDARD PROVISION NO. 6—FORMS FOR PROOF: There shall be a standard provision relative to furnishing forms for the convenience of the insured in submitting proof of loss, as follows:

6. The insurer upon receipt of such notice, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not so furnished within fifteen (15) days after the receipt of such notice, the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting within the time fixed in the policy for filing

proofs of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.

304.720 STANDARD PROVISION NO. 7—TIME FOR FILING PROOF: There shall be a standard provision relative to filing proof of loss which shall be in the one of the following forms appropriate to the indemnities provided. The words in parentheses may be used only in schedule type policies.

(A) 7. Affirmative proof of loss must be furnished to the insurer at its said office within ninety (90) days after the date of the loss for which claim is made.

(B) 7. Affirmative proof of loss must be furnished to the insurer at its said office within ninety (90) days after the termination of the period of disability for which the insurer is liable.

(C) 7. Affirmative proof of loss must be furnished to the insurer at its said office in case of claim for loss of time from disability (if covered by this policy) within ninety (90) days after the termination of the period for which the insurer is liable, and in case of claim for any other loss, within ninety (90) days after the date of such loss.

304.721 STANDARD PROVISION NO. 8 — EXAMINATION AND AUTOPSY: Except in the case of transportation ticket policies, there shall be a standard provision, relative to examination of the person of the insured and relative to autopsy, which shall be in the following form:

8. The insurer shall have the right and opportunity to examine the person of the insured when and so often as it may reasonably require during the pendency of claim hereunder, and also the right and opportunity to make an autopsy in case of death where it is not forbidden by law.

304.722 STANDARD PROVISION NO. 9—INDEMNITIES PAYABLE WHEN: There shall be a standard provision relative to the time within which payments other than those for loss of time on account of disability shall be made. Such provision shall be in either of the following two forms and may be omitted from any policy providing only indemnity for loss of time on account of disability. The insurer shall insert in the blank space either the word "immediately" or appropriate language to designate such period

of time, not more than sixty (60) days, as it desires. Form (A) shall be used in policies which do not provide indemnity for loss of time on account of disability and form (B) in policies which so do provide and may be used in all schedule type policies.

(A) 9. All indemnities provided in this policy will be paid after receipt of due proof.

(B) 9. All indemnities provided in this policy for loss other than that of time on account of disability will be paid after receipt of due proof.

304.723 STANDARD PROVISION NO. 10—PERIODICAL PAYMENT OF INDEMNITIES: There shall be a standard provision relative to periodical payments of indemnity for loss of time on account of disability. Such provision shall be in the following form and may be omitted from any policy not providing for such indemnity. The insurer shall insert in the blank space of the form any period of time not exceeding sixty (60) days. The words in parentheses may be used only in schedule type policies.

10. Upon request of the insured and subject to due proof of loss all accrued indemnity for loss of time on account of disability (if covered by this policy) will be paid at the expiration of each during the continuance of the period for which the insurer is liable, and any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of due proof.

304.724 STANDARD PROVISION NO. 11—INDEMNITIES, TO WHOM PAYABLE: There shall be a standard provision relative to indemnity payments which shall be in either of the two following forms: Form (A) shall be used in policies which designate a beneficiary and in all schedule type policies, and form (B) in policies which do not designate any beneficiary other than the insured:

(A) 11. Indemnity for loss of life of the insured is payable to the beneficiary if surviving the insured, and otherwise to the estate of the insured. All other indemnities of this policy are payable to the insured.

(B) 11. All the indemnities of this policy are payable to the insured.

304.725 STANDARD PROVISION NO. 12—CANCELLATION BY THE INSURED: Except in the case of transportation ticket policies, there shall be a standard provision providing for cancellation of the policy at the instance of the insured, which shall be in the following form:

12. If the insured shall at any time change his occupation to one classified by the insurer as less hazardous than that stated in the policy, the insurer, upon written request of the insured, and surrender of the policy, will cancel the same and will return to the insured the unearned premium.

304.726 STANDARD PROVISION NO. 13—RIGHTS OF BENEFICIARY: There shall be a standard provision relative to the rights of the beneficiary under the policy. Such provision shall be in the following form and may be omitted from any policy not designating a beneficiary. The words in parentheses may be used only in schedule type policies.

13. Consent of the beneficiary (if designated in this policy) shall not be requisite to surrender or assignment of this policy, or to change of beneficiary, or to any other changes in the policy.

304.727 STANDARD PROVISION NO. 14—TIME FOR SUITS: There shall be a standard provision limiting the time within which suit may be brought upon the policy, as follows:

14. No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after proof of loss has been filed in accordance with the requirements of this policy, nor shall such action be brought at all unless brought within two (2) years from the expiration of the time within which proof of loss is required by the policy.

304.728 STANDARD PROVISION NO. 15—TIME LIMITATIONS: There shall be a standard provision relative to time limitations of the policy, as follows:

15. If any time limitation of this policy with respect to giving notice of claim or furnishing proof of loss is less than that permitted by the law of the state in which the insured resides at the time this policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

304.729 OPTIONAL STANDARD PROVISIONS: (1) A disability policy issued or delivered to any person in this state and containing any provision set forth below shall embody such provisions in the words and figures and in the order set forth for optional standard provisions by this article:

- (a) Relative to the cancellation at the instance of the insurer.
- (b) Limiting the amount of indemnity to a sum less than the amount stated in the policy and for which the premium has been paid.
- (c) Providing for the deduction of any premium from the amount paid in settlement of claim.
- (d) Relative to other insurance by the same insurer.
- (e) Relative to the age limits of the policy.

Such provisions are hereby designated "optional standard provisions."

(2) The insurer may at its option omit from the policy any such optional standard provision.

(3) Such optional standard provisions, if inserted in the policy, shall immediately succeed the standard provisions named in this article.

304.730 OPTIONAL STANDARD PROVISION NO. 16—CANCELLATION BY INSURER: There may be an optional standard provision relative to cancellation of the policy at the instance of the insurer, as follows:

16. The insurer may cancel this policy at any time by written notice delivered to the insured or mailed to his last address, as shown by the records of the insurer, together with cash or the insurer's check for the unearned portion of the premiums actually paid by the insured, and such cancellation shall be without prejudice to any claim originating prior thereto.

304.731 OPTIONAL STANDARD PROVISION NO. 17—REDUCTION OF INDEMNITIES—OTHER INSURANCE: There may be an optional standard provision relative to reduction of the amount of indemnity to a sum less than that stated in the policy, as follows:

17. If the insured shall carry with another company, corporation, association or society other insurance covering the same loss without giving written notice to the insurer, then in that case the insurer shall be liable only for such portion of the indemnity promised as the said indemnity bears to the total amount of like indemnity in all policies covering such loss and for the return of such part of the premium paid as shall exceed the pro rata for the indemnity thus determined.

304.732 OPTIONAL STANDARD PROVISION NO. 18—DEDUCTION OF PREMIUMS: There may be an optional standard provision relative to deduction of premium upon settlement of claim, as follows:

18. Upon the payment of claim hereunder any premium then due and unpaid or covered by any note or written order may be deducted therefrom.

304.733 OPTIONAL STANDARD PROVISION NO. 19—EXCESS INSURANCE: There may be an optional standard provision relative to other insurance by the same insurer. It shall be in the one of the following forms appropriate to the indemnities provided. In the blank spaces the insurer shall insert such upward limits of indemnity as are specified in the insurer's classification of risks on file with the commissioner. In lieu of the phrase "like policy or policies" the insurer may, with the commissioner's approval, designate a specific kind or kinds of policies.

(A) 19. If a like policy or policies, previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity in excess of \$....., the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured.

(B) 19. If a like policy or policies, previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity for loss of time on account of disability in excess of \$..... weekly, the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured.

(C) 19. If a like policy or policies, previously issued by the insurer to the insured be in force concurrently herewith, making

the aggregate indemnity for loss other than that of time on account of disability in excess of \$....., or the aggregate indemnity for loss of time on account of disability in excess of \$..... weekly, the excess insurance of either kind shall be void and all premiums paid for such excess shall be returned to the insured.

(D) 19. Insurance effective at any one time on any person under ticket policies in this insurer is limited to such policies, and the insurer will return to the insured all premiums paid for ticket policies in excess thereof.

304.734 OPTIONAL STANDARD PROVISION NO. 20—AGE LIMITS: There may be an optional standard provision relative to the age limits of the policy. It shall be in the following form and in the blank spaces the insurer shall insert such number of years as it elects:

20. The insurance under this policy shall not cover any person under the age of years nor over the age of years. Any premium paid to the insurer for any period not covered by this policy will be returned upon request.

304.735 INSURED'S VIOLATION OF LAW: Any provision which affects the liability of the insurer because of any violation of law by the insured shall provide in substance that the insurer shall not be liable for death, injury incurred or disease contracted, to which a contributing cause is the insured's commission of, or attempt to commit an assault or felony or which occurs while the insured is engaged in an illegal occupation.

304.736 USE OF LIQUOR—NARCOTICS: Any provision which affects the liability of the insurer because of the insured's use of intoxicating liquor or narcotics during the term of the policy shall provide in substance that the insurer shall not be liable for death, injury incurred or disease contracted while the insured is under the influence of intoxicants, or narcotics unless administered on the advice of a physician.

304.737 MISSTATEMENT OF AGE: (1) Any provision which affects the liability of the insurer because of a misstatement of age of the insured may provide that the policy shall in no event cover any person under or over the ages as specified therein, and

shall provide in substance that if the age of the insured has been misstated, any amount payable under the policy shall be such as the premium would have purchased at the correct age.

(2) The policy shall be void if (a) under the terms of the policy it would not have been issued had the age not been misstated, or if (b) by reason of a misstatement of age the insurer continued to accept premiums after the insured attained an age at which, as stated in the policy, the insuring contract ceased.

(3) Any premium paid to the insurer for any period not covered by the policy, in excess of any indemnity paid by the insurer to the insured during such period, shall be returned upon request.

304.740 FACILITY OF PAYMENT: The insurer may include in the policy a clause which may provide in substance, with such modifications as may be required by the coverage provided by the policy, that if there is no designated beneficiary as to all or any part of the insurance at the death of the insured, whether such insurance represents a death benefit or accrued but unpaid disability benefits, then the amount of insurance payable for which there is no designated beneficiary, shall be payable to the insured's estate, except that the insurer may in such case, at its option, pay such insurance, if the amount thereof does not exceed one thousand dollars (\$1,000), to the executor or administrator of the insured, or to any of the insured's relatives by blood or legal adoption or connection by marriage, or to any person appearing to the insurer to be equitably entitled thereto by reason by having been named beneficiary, or by reason of having incurred expense for the maintenance, medical attention or burial of the insured. Payments so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.

304.741 NONCANCELLABLE POLICIES—REQUIRED PROVISIONS: Every noncancellable disability policy, in addition to the standard provisions, shall contain in substance the following provision or provisions which in the commissioner's opinion are more favorable to the policyholder:

(1) A provision that the contract shall be incontestable as to any statement made in the application after it has been in force during the lifetime, and without disability of the insured for a

period of three (3) years from date of issue. This provision need not be included in any policy which does not provide benefits for sickness for more than two (2) years.

(2) A provision that the insured is entitled to a grace period of not less than ten (10) days within which the payment of any premium after the first may be made, subject at the option of the insurer to an interest charge not in excess of six per cent (6%) per annum for the number of days of grace elapsing before the payment of the premium, during which period of grace the policy shall continue in full force, but in case the policy becomes a claim by death, injury, or disablement of the insurer occurring during such period of grace before the overdue premiums or the deferred premiums of the current policy year, if any, are paid, the amount of such premiums, together with interest on any overdue premium, may be deducted from any amount payable under the policy in settlement.

304.742 REDUCTION OF INDEMNITIES — NONCANCEL-
LABLE POLICIES: A policy of disability insurance, which provides in substance that the insured may continue the policy in force for a period of not less than five (5) years after its effective date, during which period the insurer can not terminate it, may, in lieu of optional Standard Provision 17 set forth in KRS 304.731, provide in substance that if the total monthly amount of benefits promised in all policies or certificates of accident, health or disability insurance upon the insured, whether payable weekly or monthly, exceeds the average monthly earnings of the insured for the period of two (2) years immediately preceding a disability for which claim is made, then the insurer will be liable only for such proportionate amount of the promised benefits specified in the policy as the amount of such average monthly earnings of the insured bears to the total amount of monthly benefits promised under all such policies or certificates upon the insured at the time of such disability, and that such part of the premiums paid during such two (2) years as exceeds the pro rata amount of the premiums for the benefits actually paid thereunder will in such case, be returned; but that:

(1) Such proration shall not reduce the total monthly amount of the benefits payable, under all such policies or certificates upon the insured, below the sum of one hundred dollars (\$100), or the

sum of the monthly benefits specified in such policies or certificates, whichever is the lesser.

(2) Such proration shall not apply to benefits payable in the event of the entire and irrecoverable loss of sight of both eyes, or the severance of both hands or both feet, or one hand and one foot.

(3) If payments have been made under the policy for previous disability which existed within three (3) calendar years prior to commencement of the disability for which claim is made, and the average monthly earnings of the insured for the period of two (2) years immediately preceding the previous disability were greater in amount than the average monthly earnings for the period of two (2) years immediately preceding the current disability, then the proportion of the average monthly earnings for the earlier period in lieu of such earnings for the later period will be taken as the basis for computing the proportion of the benefits to be paid the insured under this provision of the policy.

304.743 SCHEDULE TYPE POLICIES DEFINED: As used in this article, "schedule type policies" means policies which by their terms afford insurance only with respect to such and so many of the various types of coverage described in the forms thereof as for which separate premium charges are made and specified in a schedule on the first page thereof.

304.744 TRANSPORTATION TICKET POLICY DEFINED: A transportation ticket policy is any ticket policy of disability insurance sold at transportation stations, ticket offices or travel bureaus by the employees of railroads, steamship lines, air lines and other organizations engaged in transporting persons as common carriers, or by individuals or employees of persons engaged in selling transportation on such common carriers, having as its dominant feature the protection of the insured from a transportation hazard.

304.745 FAMILY EXPENSE DISABILITY INSURANCE: Family expense disability insurance is that provided under a policy issued to one of the family members insured, who shall be deemed the policyholder, covering any two or more eligible members of a family, including husband, wife, dependent children, or any children under a specified age which shall not exceed 19 years, and any other person dependent upon the policyholder. Any authorized disability insurer may issue such insurance.

304.746 FRANCHISE PLAN: (1) Disability insurance on a franchise plan is that issued to

(a) five (5) or more employees of a common employer, or to

(b) ten (10) or more members of any bona fide association or labor union, which association or union was formed and exists for purposes other than that of obtaining insurance, and under which such employees or members, with or without their dependents, are issued individual policies which may vary as to amounts and kinds of coverage as applied for, under an arrangement whereby the premiums on the policies are to be paid to the insurer periodically by the employer, with or without payroll deductions, or by the association, or by some designated employee or officer of the association acting on behalf of the employer or association members.

(2) The term "employees" includes also the employer's officers, and the employer or partners if the employer is an individual or a partnership.

(3) An insurer may charge different rates, provide different benefits, or employ different underwriting procedure for individuals insured under a franchise plan, if such rates, benefits, or procedures as used do not unfairly discriminate as between individuals or plans having substantially like insuring, risk, and exposure factors, or expense elements, and do not unfairly discriminate as between individuals insured under franchise plans and individuals otherwise insured under similar policies, taking into consideration the insuring, risks, exposure factors, and expense elements.

304.748 INSTALLMENT SETTLEMENTS: The requirement for the payment of the accidental death benefit of a disability insurance contract within the period set forth in Standard Provision No. 9 of the policy as prescribed by KRS 304.722 shall be deemed complied with by payment of such benefit in installments in compliance with the following conditions:

(1) The policy shall provide for the payment of such benefit to a named beneficiary in specified installments, as elected in writing by the insured during his lifetime or by the beneficiary, and which election is made a part of the policy.

(2) If such election for payment of the benefit in installments

was made by the insured, the benefit shall not be subject to commutation, or to alienation by the beneficiary.

(3) If no such election was made by the insured during his lifetime or by the beneficiary, then indemnity may be made payable upon such terms and conditions and subject to such restrictions as may be agreed to in writing by the insurer and the beneficiary.

(4) The first of such installments shall be payable, and shall actually be paid to the beneficiary, within the period designated for payment of indemnities generally under such Standard Provision No. 9.

304.749 INCONTESTABILITY AFTER REINSTATEMENT: The reinstatement of any policy of noncancellable disability insurance, or of any disability policy containing a provision for incontestability, or a provision of similar nature, hereafter delivered or issued for delivery in this state shall be contestable only on account of fraud or misrepresentation of facts material to the reinstatement and only for the same period following reinstatement as is provided in the policy with respect to the contestability thereof after the original issuance of the policy.

ARTICLE NINETEEN

GROUP AND BLANKET DISABILITY INSURANCE

304.670 GROUP DISABILITY INSURANCE DEFINED: (1) Group disability insurance is that form of disability insurance covering groups of employees, members, or employees of members, with or without one or more members of their families or one or more dependents, provided by a master policy issued to: (a) an employer, or a trustee appointed by an employer; or

(b) an association, including a labor union, formed for purposes other than obtaining such insurance; or

(c) trustees of a fund established by two or more employers or labor unions or by one or more employers and one or more labor unions; or

(d) any other substantially similar group which, in the discretion of the commissioner, may be subject to the issuance of group disability insurance.

(2) Group disability insurance may also be issued to such other groups as would come within the definition of group life insurance under this code.

304.761 "EMPLOYEES" — "EMPLOYER" DEFINED: The term "employees" as used in this article shall be deemed to include as employees of a single employer, the compensated officers, managers, and employees of the employer and of subsidiary or affiliated corporations of a corporation employer, and the individual proprietors, partners, and employees of individuals and firms of which the business is under common control through stock ownership, contract or otherwise. The policy may provide that the term "employees" shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The term "employees" as used in this article shall be deemed to include retired employees. The term "employer" as used in this article shall be deemed to include any municipal corporation or governmental unit, agency or department thereof as well as private individuals, firms, corporations and other persons.

304.765 "BLANKET" DISABILITY INSURANCE DEFINED: (1) Any policy or contract of disability insurance which conforms with the description and complies with the requirements contained in one of the following eight (8) items shall be deemed a blanket disability insurance policy:

(a) A policy issued to any common carrier or passengers, which carrier shall be deemed the policyholder, covering a group defined as all persons who may become such passengers, and whereby such passengers shall be insured against loss or damage resulting from death or bodily injury either while, or as a result of, being such passengers.

(b) A policy issued in the name of any volunteer fire department, first aid or ambulance squad or volunteer police organization, which shall be deemed the policyholder, and covering all the members of any such organization against loss from accidents resulting from hazards incidental to duties in connection with such organizations.

(c) A policy issued in the name of any established organization whether incorporated or not, having community recognition and operated for the welfare of the community and its members and

not for profit, which shall be deemed the policyholder, and covering all volunteer workers who serve without pecuniary compensation and the members of the organization, against loss from accidents occurring while engaged in the actual performance of duties on behalf of such organization or in the activities thereof.

(d) A policy issued to an employer, who shall be deemed the policyholder, covering any group of employees defined by reference to exceptional hazards incident to such employment, insuring such employees against death or bodily injury resulting while, or from, being exposed to such exceptional hazards.

(e) A policy covering students or employees issued to a college, school, or other institution of learning or to the head or principal thereof, who or which shall be deemed the policyholder.

(f) Under a policy or contract issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor.

(g) Under a policy or contract issued to a sports team or to a camp, which team or camp sponsor shall be deemed the policyholder, covering members or campers.

(h) Under a policy or contract issued to any other substantially similar group which, in the discretion of the commissioner, may be subject to the issuance of a blanket sickness and accident policy or contract.

(2) Nothing contained in this section shall be deemed to affect the liability of policyholders for the death of or injury to, any such member of such group.

(3) Individual applications shall not be required from individuals covered under a blanket disability insurance contract.

304.767 STANDARD PROVISIONS, GROUP, BLANKET POLICIES: Every policy of group or blanket disability insurance shall contain in substance the provisions as set forth in KRS 304.768 to 304.771 inclusive, or provisions which in the opinion of the commissioner are more favorable to the individual insured, or at least as favorable to such individuals and more favorable to the policyholder. No such policy of group or blanket disability insurance shall contain any provision relative to notice or proof of loss, or to the time for paying benefits, or to the time within which suit may

be brought upon the policy, which in the opinion of the commissioner is less favorable to the individuals insured than would be permitted by the standard provisions required for individual disability insurance policies.

304.768 THE CONTRACT, REPRESENTATIONS: There shall be a provision that all statements made by the policyholder or by the individuals insured shall in the absence of fraud be deemed representations and not warranties, and that no statement made in the application by the policyholder shall be used in any contest unless a copy of the application, if any, of the policyholder shall be attached to the policy when issued, and that no statement made by any individual insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such individual or to his beneficiary if any.

304.769 PAYMENT OF PREMIUMS: There shall be a provision that all premiums due under the policy shall be payable by the policyholder to the insurer on or before the due date thereof with such period of grace as may be specified therein.

304.770 CERTIFICATES: In group disability insurance policies there shall be a provision that the insurer shall issue to the employer, the policyholder, or other person or association in whose name such policy is issued, for delivery to each insured employee or member, an individual certificate setting forth in summary form a statement of the essential features of the insurance coverage, and to whom the benefits thereunder are payable. If family members are insured, only one certificate need be issued for each family. This section shall not apply to blanket disability insurance policies.

304.771 AGE LIMITATIONS: There shall be a provision specifying the ages, if any there be, to which the insurance provided therein shall be limited; and the ages, if any there be, for which additional restrictions are placed on benefits, and the additional restrictions placed on the benefits at such ages.

304.775 EXAMINATION AND AUTOPSY: There may be a provision that the insurer shall have the right and opportunity to examine the person of any individual covered by the policy when and so often as it may reasonably require during the pendency of claim under the policy and also the right and opportunity to make an autopsy in case of death unless prohibited by law.

304.778 PAYMENT OF BENEFITS: (1) The benefits payable under any policy or contract of group or blanket disability insurance shall be payable to the employee or other insured member of the group or to the beneficiary designated by him, other than the policyholder, employer or the association or any officer thereof as such, subject to provisions of the policy in the event the claimant is insane or otherwise incompetent, or in event there is no designated beneficiary as to all or any part of any sum payable at the death of the individual insured.

(2) Any group or blanket disability policy may provide that all or any portion of any indemnities provided by any such policy on account of hospital, nursing, medical or surgical services may, at the insurer's option, be paid directly to the hospital or person rendering such services; but the policy may not require that the service be rendered by a particular hospital or person. Payment so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.

304.779 READJUSTMENT OF PREMIUMS—DIVIDENDS: Any contract of group disability insurance may provide for the readjustment of the rate of premium based on the experience thereunder at the end of the first year or of any subsequent year of insurance thereunder, and such readjustment may be made retroactive only for such policy year. Any refund under any plan for readjustment of the rate of premium based on the experience under group disability policies heretofore or hereafter issued, and any dividend paid under such policy may be used to reduce the employer's share of the cost of the coverage, except that if the aggregate refunds or dividends under such group disability policy and any other group policy or contract issued to the policyholder exceed the aggregate contributions of the employer toward the cost of the coverage, such excess shall be applied by the policyholder for the sole benefit of insured employees.

ARTICLE TWENTY

LIFE INSURANCE AND ANNUITIES

304.786 SCOPE OF ARTICLE: The provisions of this article apply to contracts of life insurance and annuities other than reinsurance, group life insurance, group annuities, and, except for KRS 304.817, 304.818, 304.825, and 304.828, industrial life insurance.

304.787 STANDARD PROVISIONS REQUIRED: (1) No policy of life insurance other than industrial, group and pure endowments with or without return of premiums or of premiums and interest, shall be delivered or issued for delivery in this state unless it contains in substance all of the provisions required by KRS 304.788 to KRS 304.798 inclusive. This section shall not apply to annuity contracts.

(2) Any of such provisions or portions thereof not applicable to single premium or term policies shall to that extent not be incorporated therein.

304.788 GRACE PERIOD: There shall be a provision that the insured is entitled to a grace period of one (1) month, but not less than thirty (30) days, within which the payment of any premium after the first may be made, subject at the option of the insurer to an interest charge not in excess of six per cent (6%) per annum for the number of days of grace elapsing before the payment of the premium, during which period of grace the policy shall continue in force, but in case the policy becomes a claim during the grace period before the overdue premium is paid, or the deferred premiums of the current policy year, if any, are paid, the amount of such premium or premiums with interest thereon may be deducted in any settlement under the policy.

304.789 ENTIRE CONTRACT: In all such policies other than those containing a clause making the policy incontestable from date of issue, there shall be a provision that the policy and the application therefor, if a copy thereof has been endorsed upon or attached to the policy at issue and made a part thereof, shall constitute the entire contract between the parties, and that all statements made by the applicant or by the insured, shall, in the absence of fraud, be deemed representations and not warranties.

304.790 INCONTESTABILITY: There shall be a provision that the policy shall be incontestable after it has been in force during the lifetime of the insured for a period of two (2) years from its date of issue, except for nonpayment of premiums and except, at the option of the insurer, as to provisions relative to benefits in event of disability and as to provisions which grant additional insurance specifically against death by accident or accidental means.

304.791 MISSTATEMENT OF AGE: There shall be a provision that if it is found that the age of the insured (or the age of any other individual considered in determining the premium) has been misstated, the amount payable or benefit accruing under the policy shall be such as the premium would have purchased at the correct age or ages, according to the insurer's rate at date of issue.

304.792 PARTICIPATION IN SURPLUS: (1) In all policies which provide for participation in the insurer's surplus, there shall be a provision that the policy shall so participate annually in the insurer's divisible surplus as apportioned by the insurer, except that at the option of the insurer such apportionment, if any, may be deferred to the end of the third policy year. Any policy containing provision for annual participation beginning at the end of the first policy year, may also provide that payment of the first dividend shall be subject to the payment of the premium for the next ensuing year. The person entitled thereto under any annual dividend policy shall have the right each year to have the current dividend arising from such participation either paid in cash, or applied in accordance with such other dividend option as may be specified in the policy and elected by such person. The policy shall further provide which of the options shall be effective if such person shall fail to notify the insurer in writing of his election within the period of grace allowed for the payment of premiums.

(2) This section shall not apply to paid-up nonforfeiture benefits nor to paid-up policies issued on default in payment of premiums.

304.793 POLICY LOAN: (1) Except as to term insurance, there shall be a provision that after three (3) full years' premiums have been paid thereon, the insurer at any time, while the policy is in force other than as extended term insurance, will advance, on proper assignment or pledge of the policy and on the sole security thereof, at a specified rate of interest not exceeding six per cent (6%) per annum, or if payable in advance such interest shall not exceed the rate of five and seven-tenths per cent (5-7/10%), a sum, which together with any interest to the end of the current policy year, shall be equal to or at the option of the person entitled thereto less than, the loan value. The policy shall provide for a loan value at least equal to the cash surrender value of the policy at the end of the current policy year less any indebtedness not already deducted in determining

such cash surrender value, less any unpaid balance of the premium for the current policy year; and that if the loan is made or repaid on a date other than the anniversary of the policy, the insurer shall be entitled to interest for the portion of the current policy year at the rate of interest specified in the policy. The policy may further provide that if the interest on the loan is not paid when due, it shall be added to and made a part of the existing indebtedness and shall bear interest at the same rate; and that if and when the total indebtedness on the policy, including interest due or accruing, equals or exceeds the amount of the loan value thereof which would otherwise exist at such time, the policy shall terminate in full settlement of such indebtedness and become void; except that it shall be stipulated in the policy that no such termination shall be effective prior to the expiration of at least thirty (30) days after notice of the pendency of the termination was mailed by the insurer to the insured and the assignee, if any, at their respective addresses last of record with the insurer.

(2) The policy shall provide that the making of any loan, other than a loan to pay premiums, may be deferred for not exceeding six (6) months after the application for the loan has been received by the insurer.

304.796 TABLE OF INSTALLMENTS: If the policy provides for payment of its proceeds in installments, a table showing the amount and period of such installments shall be included in the policy. Except, that if in the judgment of the commissioner it is not practical to include certain tables in the policy, the requirements of this section may be met as to such policy by the insurer filing such tables with the commissioner.

304.797 REINSTATEMENT: There shall be a provision that the policy may be reinstated at any time within three (3) years after the date of default in the payment of any premium, unless the policy has been surrendered for its cash value or the period of any extended insurance provided by the policy has expired, upon evidence of insurability, including good health, satisfactory to the insurer and the payment of all overdue premiums, and payment (or, within the limits permitted by the then cash values of the policy, reinstatement) of any other indebtedness to the insurer upon the policy with interest as to both premiums and indebtedness at a rate not exceeding six per cent (6%) per annum compounded annually.

304.798 SETTLEMENT ON PROOF OF DEATH: There shall be a provision that when a policy becomes a claim by the death of the insured, settlement shall be made upon receipt of due proof of death and surrender of the policy.

304.799 EXCLUDED OR RESTRICTED COVERAGE: A clause in any policy of life insurance providing that such policy shall be incontestable after a specified period shall preclude only a contest of the validity of the policy, and shall not preclude the assertion at any time of defenses based upon provisions in the policy which exclude or restrict coverage, whether or not such restrictions or exclusions are excepted in such clause.

304.801 ANNUITIES AND PURE ENDOWMENT CONTRACTS—STANDARD PROVISIONS REQUIRED: No annuity or pure endowment contract, other than reversionary annuities, or survivorship annuities, or group annuities, shall be delivered or issued for delivery in this state unless it contains in substance each of the provisions specified in KRS 304.802 to 304.808 inclusive. Any of such provisions not applicable to single premium annuities or single premium pure endowment contracts shall not, to that extent, be incorporated therein.

This section shall not apply to contracts for annuities included in, or upon the lives of beneficiaries under, life insurance policies.

304.802 ANNUITIES AND PURE ENDOWMENT CONTRACTS—GRACE PERIOD: In such contracts, there shall be a provision that there shall be a period of grace of one (1) month, but not less than thirty (30) days, within which any stipulated payment to the insurer falling due after the first may be made, subject at the option of the insurer, to an interest charge thereon at a rate to be specified in the contract but not exceeding six per cent (6%) per annum for the number of days of grace elapsing before such payment, during which period of grace, the contract shall continue in full force; but in case a claim arises under the contract on account of death prior to expiration of the period of grace before the overdue payment to the insurer of the deferred payments of the current contract year, if any, are made, the amount of such payments, with interest on any overdue payments, may be deducted from any amount payable under the contract in settlement.

304.803 ANNUITIES AND PURE ENDOWMENT CONTRACTS—INCONTESTABILITY: If any statements, other than those relating to age, sex, and identity, are required as a condition to issuing such an annuity or pure endowment contract, and subject to KRS 304.805, there shall be a provision that the contract shall be incontestable after it has been in force during the lifetime of the person or of each of the persons as to whom such statements are required, for a period of two (2) years from its date of issue, except for non-payment of stipulated payments to the insurer; and at the option of the insurer, such contract may also except any provision relative to benefits in the event of disability and any provisions which grant insurance specifically against death by accident or accidental means.

304.804 ANNUITIES AND PURE ENDOWMENT CONTRACTS—THE ENTIRE CONTRACT: In such contracts there shall be a provision that the contract shall constitute the entire contract between the parties, or, if a copy of the application is endorsed upon or attached to the contract when issued, a provision that the contract and the application therefor shall constitute the entire contract between the parties.

304.805 ANNUITIES AND PURE ENDOWMENT CONTRACTS—MISSTATEMENTS OF AGE OR SEX: In such contracts there shall be a provision that if the age or sex of the person or persons upon whose life or lives the contract is made, or of any of them has been misstated, the amount payable or benefit accruing under the contract shall be such as the stipulated payment or payments to the insurer would have purchased according to the correct age or sex; and that if the insurer shall make or has made any overpayment or overpayments on account of any such misstatement, the amount thereof, with interest at the rate to be specified in the contract but not exceeding (6%) per annum, may be charged against the current or next succeeding payment or payments to be made by the insurer under the contract.

304.806 ANNUITIES AND PURE ENDOWMENT CONTRACTS—DIVIDENDS: If such contract is participating, there shall be a provision that the insurer shall annually ascertain and apportion any divisible surplus accruing on the contract.

304.808 ANNUITIES AND PURE ENDOWMENT CONTRACTS—REINSTATEMENT: In such contracts there shall be

a provision that the contract may be reinstated at any time within one (1) year from the date of default in making stipulated payments to the insurer, unless the cash surrender value has been paid, but all overdue stipulated payments and any indebtedness to the insurer on the contract shall be paid or reinstated, with interest thereon at a rate to be specified in the contract but not exceeding six per cent (6%) per annum compounded annually, and in cases where applicable, the insurer may also include a requirement of evidence of insurability satisfactory to the insurer.

304.811 REVERSIONARY ANNUITIES—STANDARD PROVISIONS REQUIRED: No contract for a reversionary annuity shall be delivered or issued for delivery in this state unless it contains in substance each of the provisions specified in KRS 304.812 and 304.813. Any of such provisions not applicable to single premium annuities shall not, to that extent, be incorporated therein.

This section shall not apply to annuities included in life insurance policies.

304.812 REVERSIONARY ANNUITIES—PROVISIONS SAME AS FOR OTHER ANNUITIES: Any such reversionary annuity contract shall contain the provisions specified in KRS 304.802 to 304.806 inclusive, except that under KRS 304.802 the insurer may at its option provide for an equitable reduction of the amount of the annuity payments in settlement of an overdue or deferred payment in lieu of providing for a deduction of such payments from an amount payable upon a settlement under the contract.

304.813 REVERSIONARY ANNUITIES—REINSTATEMENT: In such reversionary annuity contracts there shall be a provision that the contract may be reinstated at any time within three (3) years from the date of default in making stipulated payments to the insurer, upon production of evidence of insurability, including good health, satisfactory to the insurer, and upon condition that all overdue payments and any indebtedness to the insurer on account of the contract be paid, or, within the limits permitted by the then cash values of the contract, reinstated, with interest as to both payments and indebtedness at a rate to be specified in the contract but not exceeding six per cent (6%) per annum compounded annually.

304.817 LIMITATION OF LIABILITY: (1) The insurer

may in any life insurance policy or annuity or pure endowment contract limit its liability in event only of death occurring:

(a) As a result of war, or any act of war, declared or undeclared, or of service in the military, naval or air forces or in civilian forces auxiliary thereto, or from any cause while a member of any such military, naval or air forces of any country at war, declared or undeclared.

(b) As a result of suicide of the insured, whether sane or insane, within two (2) years from date of issue of the policy.

(c) As a result of aviation under conditions specified in the policy.

(d) Within two (2) years from date of issue of the policy as a result of a specified hazardous occupation or occupations or while the insured is resident in a specified foreign country or countries.

(2) An insurer may specify conditions pertaining to the items of subsection (1) of this section which in the commissioner's opinion are more favorable to the policyholder.

(3) If the liability of the insurer is limited as provided in subsections (1) or (2) of this section, the amount payable in the event of death under circumstances to which any such limitation is applicable shall be a determinable amount not less than a reserve for the life insurance and any endowment benefits of the policy determined by the method prescribed in the minimum standard required by law, and computed according to the mortality table and interest rate specified in the policy for the calculation of nonforfeiture benefits (or if the policy provides no such benefits, computed according to a table and interest rate determined by the insurer and specified in the policy) with adjustment for indebtedness or dividend credits.

(4) The right of the insurer to limit its liability with respect to any sums payable or any benefits provided in event the insured is disabled or suffers dismemberment, or with respect to any additional sums payable or additional benefits provided in event death of the insured is caused by accident or accidental means, shall not be subject to nor be limited or affected by this section.

304.818 INCONTESTABILITY AFTER REINSTATEMENT:
The reinstatement of any policy of life insurance or contract of an-

nuity hereafter delivered or issued for delivery in this state may be contestable on account of fraud or misrepresentation of facts material to the reinstatement only for the same period following reinstatement as the policy provides with respect to contestability after original issuance.

304.820 POLICY SETTLEMENTS: Any life insurer shall have the power to retain under agreement the proceeds of any policy issued by it, upon such terms and restrictions as to revocation by the policyholder and control by beneficiaries, and with such exemptions from the claims of creditors of beneficiaries other than the policyholder as set forth in the policy or as agreed to in writing by the insurer and the policyholder. Upon maturity of a policy in the event the policyholder has made no such agreement, the insurer shall have the power to retain the proceeds of the policy under an agreement with the beneficiaries. The insurer may retain such proceeds as part of its general assets.

304.823 MISCELLANEOUS PROCEEDS: Upon the death of the insured and except as is otherwise expressly provided by the policy, a life insurer may pay to the surviving spouse, children, beneficiary, or other person other than the insured's estate, appearing to the insurer to be equitably entitled thereto, sums then held by it and comprising:

(1) Premiums paid in advance but not due prior to such death, or funds held on deposit for the payment of future premiums.

(2) Dividends theretofore declared on the policy and held by the insurer under the insured's option.

(3) Dividends becoming payable on or after the death of the insured.

304.825 PROHIBITED POLICY PLANS: No life insurer shall hereafter issue for delivery or deliver in this state any life insurance policy:

(1) Issued under any plan for the segregation of policyholders into mathematical groups and providing benefits for a surviving policyholder of a group arising out of the death of another policyholder of such group, or under any other similar plan.

(2) Providing benefits or values for surviving or continuing

policyholders contingent upon the lapse or termination of the policies of other policyholders, whether by death or otherwise.

304.828 STANDARD NON-FORFEITURE LAW: (1) No policy of life insurance except as stated in subsection (6), shall be issued or delivered in this state unless it shall contain in substance the following provisions, or corresponding provisions which in the opinion of the commissioner are at least as favorable to the defaulting or surrendering policyholder:

(a) That, in the event of default in any premium, the insurer will grant, upon proper request not later than sixty days after the due date of the premium in default, a paid-up non-forfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such value as may be hereinafter specified.

(b) That, upon surrender of the policy within sixty days after the due date of any premium payment in default after premiums have been paid for at least three full years in the case of ordinary insurance or five full years in the case of industrial insurance, the insurer will pay, in lieu of any paid-up non-forfeiture benefit, a cash surrender value of such amount as may be hereinafter specified.

(c) That a specified paid-up non-forfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than sixty days after the due date of the premium in default.

(d) That, if the policy shall have become paid up by completion of all premium payments or if it is continued under any paid-up non-forfeiture benefit which became effective on or after the third policy anniversary in the case of ordinary insurance or the fifth policy anniversary in the case of industrial insurance, the company will pay, upon surrender of the policy within thirty days after any policy anniversary, a cash surrender value of such amount as may be hereinafter specified.

(e) A statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up non-forfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up non-forfeiture benefit, if any, available under the policy on each policy anniversary either during the first twenty policy years or during the term of the

policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the insurer on the policy.

(f) A statement of the method to be used in calculating the cash surrender value and the paid-up non-forfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy with an explanation of the manner in which the cash surrender values and the paid-up non-forfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the insurer on the policy.

Any of the foregoing provisions or portions thereof not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy. The insurer shall reserve the right to defer the payment of any cash surrender value for a period of six months after demand therefor with surrender of the policy.

(2) Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by subsection (1), shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of (a) the then present value of the adjusted premiums as defined in subsection (4), corresponding to premiums which would have fallen due on and after such anniversary, and (b) the amount of any indebtedness to the insurer on the policy. Any cash surrender value available within thirty days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up non-forfeiture benefit, whether or not required by subsection (1), shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by an indebtedness to the insurer on the policy.

(3) Any paid-up non-forfeiture benefit available under the policy in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of such an-

niversary shall be at least equal to the cash surrender value then provided for by the policy or, if none is provided for, that cash surrender value which would have been required by this section in the absence of the condition that premiums shall have been paid for at least a specified period.

(4) The adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding any extra premiums charged because of impairment or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of (a) the then present value of the future guaranteed benefits provided for by the policy; (b) two percent of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy; (c) forty percent of the adjusted premium for the first policy year; (d) twenty-five percent of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less. Provided, however, that in applying the percentages specified in (c) and (d) above, no adjusted premium shall be deemed to exceed four percent of the amount of insurance or level amount equivalent thereto. The date of issue of a policy for the purpose of this subsection shall be the date as of which the rated age of the insured is determined. In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount thereof for the purpose of this subsection shall be deemed to be the level amount of insurance provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy, provided however, that in the case of a policy providing a varying amount of insurance issued on the life of a child under age ten, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age ten were the amount provided by such policy at age ten, or at expiry, if earlier. All adjusted premiums and present values re-

ferred to in this section shall be calculated on the basis of the Commissioners' 1941 Standard Ordinary Mortality Table for ordinary insurance and the 1941 Standard Industrial Mortality Table for industrial insurance and the rate of interest, not exceeding three and one-half percent per annum specified in the policy for calculating cash surrender values and paid-up non-forfeiture benefits. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a non-forfeiture benefit, the rates of mortality assumed may be not more than one hundred and thirty percent of the rates of mortality according to such applicable table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table or mortality as may be specified by the insurer and approved by the commissioner.

(5) Any cash surrender value and any paid-up non-forfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of the time and payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in subsections (2), (3) and (4) may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the dividends used to provide such additions. Notwithstanding the provisions of subsection (2), additional benefits payable (a) in the event of death or dismemberment by accident or accidental means, (b) in the event of total and permanent disability, (c) as reversionary annuity or deferred reversionary annuity benefits, (d) as term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, and (e) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and non-forfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up non-forfeiture benefits.

(6) This section shall not apply to any reinsurance, group insurance, pure endowment, annuity or reversionary annuity contract, nor to any term policy of uniform amount, or renewal thereof, of

fifteen years or less expiring before age sixty-six, for which uniform premiums are payable during the entire term of the policy, nor to any term policy of decreasing amount on which each adjusted premium, calculated as specified in subsection (4) is less than the adjusted premium so calculated, on such fifteen-year term policy issued at the same age and for the same initial amount of insurance, nor to any policy which shall be delivered outside this state through an agent or other representative of the insurer issuing the policy.

(7) In construing the provisions of this section, "ordinary insurance" or "insurance upon the ordinary plan" shall be considered to be insurance that may be paid for by a single premium, by annual premiums or by semi-annual or quarterly or other installments thereon at the option of the insurer; and "industrial insurance" shall be considered to be insurance as defined in KRS 304.872.

(8) Any condition or stipulation in the policy of insurance or elsewhere contrary to the provisions of this section, and any waiver of such provisions by the assured, shall be void.

(9) If any insurer shall have filed with the commissioner after June thirteenth, nineteen hundred and forty-four, a written notice of its election to comply with the provisions of this section after a specified date before the first day of January, nineteen hundred and forty-eight, then upon such specified date (which shall be the operative date for such insurer) this section shall have become operative with respect to the policies thereafter issued by such insurer. If any insurer shall not have made such an election, the operative date of this section for such insurer shall be January first, nineteen hundred forty-eight.

304.832 DEPOSIT OF RESERVES BY DOMESTIC LIFE INSURERS: (1) Except as provided in subsections (2) and (3) of this subsection, every domestic life insurer shall, within ninety days after the net cash value of each policy in force has been ascertained as required by law, deposit with the custodian of insurance securities for the security and benefit of its policyholders, assets in an amount which, together with such sums as may be deposited by it with other states and governments by the requirements of their laws, shall be not less than the ascertained valuation of all policies in force, less any sums that it has advanced from its legal reserve to its policy-

holders on the pledge to it of their policies and any accumulations thereon.

(2) If the legal reserve or the aggregate ascertained valuation of all policies in force in any domestic life insurer equals twenty million dollars, no further deposit shall be required of the insurer so long as the legal reserve remains at or above twenty million dollars, unless the insurer elects to represent on its policies or otherwise that the legal reserve or cash value of its policies thereafter written is on deposit with this state or one or more of its designated agencies, in which event the insurer shall deposit assets as above set out in an amount equal to the ascertained valuation of all of its policies in force at the time the representation is made.

ARTICLE TWENTY-ONE

GROUP LIFE INSURANCE

304.838 MUST MEET GROUP REQUIREMENTS: (1) No contract of life insurance shall be delivered in this state insuring the lives of more than one individual unless to one of the groups as provided for in this article, and unless in compliance with the other provisions of this article.

(2) Subsection (1) of this section shall not apply to contracts of life insurance

(a) insuring only individuals related by marriage, by blood, or by legal adoption; or

(b) insuring only individuals having a common interest through ownership of a business enterprise, or of a substantial legal interest or equity therein, and who are actively engaged in the management thereof, or

(c) insuring only individuals otherwise having an insurable interest in each other's lives.

304.839 EMPLOYEE GROUPS: The lives of a group of individuals may be insured under a policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustee is deemed the policyholder, insuring employees of the employer for the benefit of persons other than the employer, subject to the following requirements:

(1) The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term "employees" shall include the employees of one or more subsidiary corporations, and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietors or partnerships if the business of the employer and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise. The policy may provide that the term "employees" shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term "employees" shall include retired employees. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the employer's funds or funds contributed by him, or partly from such funds and partly from funds contributed by the insured employees, except that the entire premium may be paid from funds contributed by the insured employees if the amount of insurance does not exceed one thousand dollars (\$1,000) on the life of any employee. A policy on which any part of the premium is to be derived from funds contributed by the insured employees may be placed in force only if at least seventy-five per cent (75%) of the then eligible employees, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employees must insure all eligible employees, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least twenty-five (25) employees at date of issue.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the em-

ployees or by the employer or trustees. No policy may be issued which provides term insurance on any employee which together with any other term insurance under any group life insurance policy or policies issued to the employers or any of them or to the trustees of a fund established in whole or in part by the employers or any of them exceeds twenty thousand dollars (\$20,000).

304.841 DEBTOR GROUPS: The lives of a group of individuals may be insured under a policy issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements:

(1) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor whose indebtedness is repayable in installments, or all of any class or classes thereof determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. The policy may provide that the term "debtor" shall include the debtors of one or more subsidiary corporations, and the debtors of one or more affiliated corporations, proprietors or partnerships if the business of the policyholder and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise.

(2) The premium for the policy shall be paid by the policyholder, either from the creditor's fund, or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of individual insurability unless at least seventy-five per cent (75%) of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy may be issued only if the group of eligible debtors is then receiving new entrants at the rate of at least one hundred (100) persons yearly, or may reasonably be expected to receive at least one hundred (100) new entrants during the first policy year, and only if the policy reserves to the insurer the right to require evidence of individual insurability if less than seventy-five per cent (75%) of the new entrants become insured.

(4) The amount of insurance on the life of any debtor shall at no time exceed the amount owed by him which is repayable in installments to the creditor, or five thousand dollars (\$5,000), whichever is less.

(5) The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment.

304.842 LABOR UNION GROUPS: The lives of a group of individuals may be insured under a policy issued to a labor union, which shall be deemed the policyholder, to insure members of such union for the benefit of persons other than the union or any of its officials, representatives or agents, subject to the following requirements:

(1) The members eligible for insurance under the policy shall be all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the union, or both.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the union's funds, or partly from such funds and partly from funds contributed by the insured members specifically for their insurance. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which part of the premium is to be derived from funds contributed by the insured members specifically for their insurance may be placed in force only if at least seventy-five per cent (75%) of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least twenty-five (25) members at date of issue.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the union. No policy may be used which provides term insurance on any union member which, together with any other term in-

surance under any group life insurance policies issued to the union, exceeds twenty thousand dollars (\$20,000).

304.843 PUBLIC EMPLOYEE ASSOCIATIONS: The lives of a group of individuals may be insured under a policy issued to an association of public employees formed for the purposes other than obtaining insurance and having, when the policy is placed in force, a membership in the classes eligible for insurance of not less than seventy-five per cent (75%) of the number of employees eligible for membership in such classes, which association shall be deemed the policyholder, to insure members of such association for the benefit of persons other than the association or any of its officials, subject to the following requirements:

(1) The persons eligible for insurance under the policy shall be all of the members of the association, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the association, or both.

(2) The premium for the policy shall be paid by the policyholder, either from the association's own funds, or from charges collected from the insured members specifically for the insurance, or from both. Any charges collected from the insured members specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be collected through deductions by the employer from the salaries of the members. Such deductions from salary may be paid by the employer to the association or directly to the insurer. No policy may be placed in force unless and until at least seventy-five per cent (75%) of the then eligible members of the association, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, have elected to be covered and have authorized their employer to make the required deductions from salary.

(3) Charges collected from the insured members specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be determined according to each attained age or in not less than four (4) reasonably spaced attained age groups. In no event shall the rate of such dues or charges be level for all members regardless of attained age.

(4) The policy must cover at least fifty (50) persons at date of issue.

(5) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the mem-

bers or by the association. Such amounts shall in no event exceed three thousand dollars (\$3,000) in the case of any member, and shall not exceed five hundred dollars (\$500) in the case of retired members and members over age sixty-five (65).

As used herein, "public employees" means employees of the United States government, or of any state, or of any political subdivision or instrumentality of any of them.

304.844 TRUSTEE GROUPS: The lives of a group of individuals may be insured under a policy issued to the trustees of a fund established by two or more employers in the same industry or by one or more labor unions, or by one or more employers and one or more labor unions, which trustees shall be deemed the policyholder, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions, subject to the following requirements:

(1) The persons eligible for insurance shall be all of the employees of the employers or all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the unions, or to both. The policy may provide that the term "employees" shall include retired employees, and the individual proprietor or partners if an employer is an individual proprietor or a partnership. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. The policy may provide that the term "employees" shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship.

(2) The premium for the policy shall be paid by the trustees either (a) wholly from funds contributed by the employer or employees of the insured persons, or by the union or unions, or by both, or (b) partly from such funds and partly from funds contributed by the insured employees or members. No policy may be issued under the provisions of this section on which the entire premium is to be derived from funds contributed by the insured employees or mem-

bers. A policy on which part of the premium is to be derived from funds contributed by the insured employees or members may be placed in force only if at least seventy-five per cent (75%) of the then eligible employees of any employer unit participating in the trust, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employees or members, must insure all eligible employees or members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at date of issue at least 100 persons and not less than an average of five persons per employer unit; and if the fund is established by the members of an association of employers the policy may be issued only if (i) either (a) the participating employers constitute at date of issue at least 60% of those employer members whose employees are not already covered from group life insurance or (b) the total number of persons covered at date of issue exceeds 600; and (ii) the policy shall not require that, if a participating employer discontinues membership in the association, the insurance of his employees shall cease solely by reason of such discontinuance.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers or unions. No policy may be issued which provides term insurance on any person which together with any other term insurance under any group life insurance policy or policies issued to the employers, or any of them, or to the trustees of a fund established in whole or in part by the employers, or any of them, exceeds \$20,000.

304.845 AGENT GROUPS: The lives of a group of individuals may be insured under a policy issued to a principal, or if such principal is a life insurer, by or to such principal, covering when issued not less than twenty-five (25) agents of such principal, subject to the following requirements:

(1) The agents eligible for insurance under the policy shall be those who are under contract to render personal services for such principal, for a commission or other fixed or ascertainable compensation.

(2) The policy must insure either all of the agents or all of any class or classes thereof, determined by conditions pertaining to the services to be rendered by such agents, except that if a policy is intended to insure several such classes it may be issued to insure any such class of which seventy-five per cent (75%) are covered and extended to other classes as seventy-five per cent (75%) thereof express the desire to be covered.

(3) The premium on the policy shall be paid by the principal or by the principal and the agents jointly. When the premium is paid by the principal and agents jointly and the benefits of the policy are offered to all eligible agents, the policy, when issued, must insure not less than seventy-five per cent (75%) of such agents.

(4) The amounts of insurance shall be based upon some plan which will preclude individual selection.

(5) The insurance shall be for the benefit of persons other than the principal.

(6) For the purposes of this section the term "agents" shall be deemed to include agents, subagents, solicitors, and salesmen.

304.846 KENTUCKY STATE POLICE: The lives of a group of individuals may be insured under a policy issued to the commanding officer, which commanding officer shall be deemed to be the policyholder, to insure not less than twenty-five (25) of the members of the Kentucky State Police. Such policy shall be for the benefit of beneficiaries as designated by the individual so insured, and the premium thereon may be paid by such members. Not less than seventy-five per cent (75%) of all eligible members of such Kentucky State Police, or of any unit thereof determined by the conditions pertaining to their employment, may be so insured.

304.848 STANDARD PROVISIONS REQUIRED: No policy of group life insurance shall be delivered in this state unless it contains in substance the standard provisions as required by KRS 304.849 to 304.858 inclusive, or provisions which in the opinion of the commissioner are more favorable to the individuals insured, or at least as favorable to such individuals and more favorable to the policyholder; except, that:

(1) Provisions set forth in KRS 304.854 to 304.858 inclusive shall not apply to policies issued to a creditor to insure its debtors.

(2) If the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the commissioner is or are equitable to the insured persons and to the policyholder, but such nonforfeiture benefits are not required to be the same as those required for individual life insurance policies.

304.849 GROUP LIFE—STANDARD PROVISION—GRACE PERIOD: There shall be a provision that the policyholder is entitled to a grace period of thirty-one (31) days for the payment of any premium due except the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder has given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a *pro rata* premium for the time the policy was in force during such grace period.

304.850 GROUP LIFE—STANDARD PROVISION—INCONTTESTABILITY: There shall be a provision that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for two (2) years from its date of issue; and that no statement made by an individual insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two (2) years during such individual's lifetime nor unless it is contained in a written instrument signed by him.

304.851 GROUP LIFE—STANDARD PROVISION—THE CONTRACT—REPRESENTATIONS: There shall be a provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued; that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to his beneficiary.

304.852 GROUP LIFE—STANDARD PROVISION—INSURABILITY: There shall be a provision setting forth the conditions, if any, under which the insurer reserves the right to require a person

eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage.

304.853 GROUP LIFE—STANDARD PROVISION—MIS-STATEMENT OF AGE: There shall be a provision specifying an equitable adjustment of premiums or of benefits or of both to be made in the event the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used.

304.854 GROUP LIFE—STANDARD PROVISION—BENEFICIARY: There shall be a provision that any sum becoming due by reason of the death of the individual insured shall be payable to the beneficiary designated by such individual, subject to the provisions of the policy in the event there is no designated beneficiary, as to all or any part of such sum, living at the death of the individual insured and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay at its option a part of such sum not exceeding two hundred and fifty dollars (\$250) to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the individual insured.

304.855 GROUP LIFE—STANDARD PROVISION—CERTIFICATES: There shall be a provision that the insurer will issue to the policyholder for delivery to each individual insured an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom the insurance benefits are payable, and the rights and conditions set forth in KRS 304.856, 304.857 and 304.858 following.

304.856 GROUP LIFE—STANDARD PROVISION—CONVERSION ON TERMINATION OF ELIGIBILITY: There shall be a provision that if the insurance, or any portion of it, on an individual covered under the policy, ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such individual shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one (31) days after such termination, and provided further that,

(1) the individual policy shall, at the option of such individual, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;

(2) the individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination less, in the case of a person whose membership in the class or classes eligible for coverage terminates but who continues in employment in another class, the amount of any life insurance for which such person is or becomes eligible within thirty-one (31) days after such termination under any other group policy; provided that any amount of insurance which has matured on or before the date of such termination as an endowment payable to the individual insured, whether in one sum or in installments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination; and

(3) the premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such individual then belongs, and to his age attained on the effective date of the individual policy.

304.857 GROUP LIFE—STANDARD PROVISION—CONVERSION ON TERMINATION OF POLICY: There shall be a provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured individuals, every individual insured thereunder at the date of such termination, whose insurance terminates and who has been so insured for at least five (5) years prior to such termination date shall be entitled to have issued to him by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by KRS 304.856 above, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of (a) the amount of the individual's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one (31) days of such termination and (b) two thousand dollars (\$2,000).

304.858 GROUP LIFE—STANDARD PROVISION—DEATH

PENDING CONVERSION: There shall be a provision that if a person insured under the group policy dies during the period within which he would have been entitled to have an individual policy issued to him in accordance with KRS 304.856 and 304.857, and before such an individual policy shall have become effective, the amount of life insurance which he would have been entitled to have issued to him under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

304.859 NOTICE OF CONVERSION RIGHTS: If any individual insured under a group life insurance policy hereafter delivered in this state becomes entitled under the terms of such policy to have an individual policy of life insurance issued to him without evidence of insurability, subject to making of application and payment of the first premium within the period specified in such policy, and if such individual is not given notice of the existence of such right at least 15 days prior to the expiration date of such period, then, in such event the individual shall have an additional period within which to exercise such right, but nothing herein contained shall be construed to continue any insurance beyond the period provided in such policy. Such additional period shall expire 15 days next after the individual is given such notice but in no event shall such additional period extend beyond 60 days next after the expiration date of the period provided in such policy. Written notice presented to the individual or mailed by the policyholder to the last known address of the individual or mailed by the insurer to the last known address of the individual as furnished by the policyholder shall constitute notice for the purpose of this section.

304.865 APPLICATION OF DIVIDENDS, RATE REDUCTIONS: (1) Any policy or contract of group life insurance may provide for readjustment of the rate of premium based on the experience thereunder at the end of the first year or any subsequent year of insurance thereunder, and such readjustment may be made retroactive only for such policy year.

(2) Any policy dividends hereafter declared, or reduction in rate of premiums hereafter made or continued for the first or any subsequent year of insurance, under any policy of group life insurance heretofore or hereafter issued to any policyholder may be applied

to reduce the policyholder's part of the cost of such insurance, except that if the aggregate dividends or refunds or credits under such group life policy and any other group policy or contract issued to the policyholder exceed the aggregate contributions of the policyholder toward the cost of the coverages, such excess shall be applied by the policyholder for the sole benefit of insured individuals. Violation of this provision by a policyholder shall be subject to the general penalty provided by this code.

ARTICLE TWENTY-TWO

INDUSTRIAL LIFE INSURANCE

304.871 SCOPE OF ARTICLE: The provisions of this article apply only to industrial life insurance contracts.

304.872 INDUSTRIAL LIFE INSURANCE DEFINED: "Industrial" life insurance is any life insurance provided by an individual insurance contract under which premiums are payable monthly or oftener, and bearing the words "industrial policy" printed upon the policy as a part of the descriptive matter.

304.873 COMPLIANCE REQUIRED: No policy of industrial life insurance shall be delivered or be issued for delivery in this state after January first, nineteen hundred and fifty-one, except in compliance with the provisions of this article and with other applicable provisions of this code.

304.874 STANDARD PROVISIONS REQUIRED: No such policy shall be so issued or delivered unless it contains in substance the provisions as required by this article, or provisions which in the opinion of the commissioner are at least as favorable to the policyholder.

304.875 GRACE PERIOD: There shall be a provision that the insured is entitled to a grace period of four (4) weeks within which the payment of any premium after the first may be made, except that in policies the premiums for which are payable monthly, the period of grace shall be one (1) month but not less than thirty (30) days; and that during the period of grace the policy shall continue in full force, but if during the grace period the policy becomes a claim, then any overdue and unpaid premiums may be deducted from any settlement under the policy.

304.876 ENTIRE CONTRACT: There shall be a provision that the policy shall constitute the entire contract between the parties, or, if a copy of the application is endorsed upon or attached to the policy when issued, a provision that the policy and the application therefor shall constitute the entire contract. If the application is so made a part of the contract, the policy shall also provide that all statements made by the applicant in such application shall, in the absence of fraud, be deemed to be representations and not warranties.

304.877 INCONTESTABILITY: There shall be a provision that the policy shall be incontestable after it has been in force during the lifetime of the insured for a period of two (2) years from its date of issue except for nonpayment of premiums, and except, at the option of the insurer, as to provisions providing benefits for disability or specifically for death by accident or accidental means.

304.878 MISSTATEMENT OF AGE: There shall be a provision that if it is found that the age of the individual insured, or the age of any other individual considered in determining the premium, has been misstated, any amount payable or benefit accruing under the policy shall be such as the premium would have purchased at the correct age or ages.

304.879 PARTICIPATION: If a participating policy, there shall be a provision that the insurer shall annually ascertain and apportion any divisible surplus accruing on the policy. This provision shall not prohibit the payment of additional dividends on default of payment of premiums or termination of the policy.

304.880 NONFORFEITURE BENEFITS: There shall be a provision for nonforfeiture benefits as required by KRS 304.828.

304.881 CASH SURRENDER VALUE: There shall be a provision for a cash surrender value as required by KRS 304.828.

304.882 REINSTATEMENT: There shall be a provision that the policy may be reinstated at any time within two (2) years after the date of default in the payment of any premium, unless the policy has been surrendered for its cash value or the period of any extended insurance provided by the policy has expired, upon evidence of insurability, including good health, satisfactory to the insurer and the payment of all overdue premiums, and payment (or,

within the limits permitted by the then cash values of the policy, reinstatement) of any other indebtedness to the insurer upon the policy with interest as to both premiums and indebtedness at a rate not exceeding six per cent (6%) per annum compounded annually.

304.883 SETTLEMENT: There shall be a provision that when the policy becomes a claim by the death of the insured, settlement shall be made upon surrender of the policy and receipt of due proof of death or after a specified period not exceeding two (2) months after such surrender and receipt of such proof. At the insurer's option surrender of the premium receipt book may also be required.

304.884 AUTHORITY TO ALTER CONTRACT: There shall be a provision that no agent shall have the power or authority to waive, change or alter any of the terms or conditions of any policy; except that, at the option of the insurer, the terms or conditions may be changed by an endorsement signed by a duly authorized officer of the insurer.

304.885 BENEFICIARY: (1) Each such policy shall have a space for the name of the beneficiary designated with a reservation of the right to designate or change the beneficiary after the issuance of the policy.

(2) The policy may also provide that no designation or change of beneficiary shall be binding on the insurer until endorsed on the policy by the insurer, and that the insurer may refuse to endorse the name of any proposed beneficiary who does not appear to the insurer to have an insurable interest in the life of the insured.

304.886 FACILITY OF PAYMENT CLAUSE: Such a policy may also provide that if the beneficiary designated in the policy does not surrender the policy with due proof of death within the period stated in the policy, which shall not be less than thirty (30) days after the death of the insured, or if the beneficiary is the estate of the insured or is a minor, or dies before the insured or is not legally competent to give a valid release, then the insurer may make payment thereunder to the executor or administrator of the insured, or to any of the insured's relatives by blood or legal adoption or connection by marriage, or to any person appearing to the insurer to be equitably entitled thereto by reason of having been named beneficiary, or by reason of having incurred expense for the maintenance, medical attention or burial of the insured. Such policy may

also include a similar provision applicable to any other payment due under the policy.

304.890 TITLE ON POLICY: There shall be a title on the face of each such policy briefly describing its form.

304.892 APPLICATION TO TERM AND SPECIFIED INSURANCE: Any of the provisions required by this article or any portion thereof which are not applicable to single premium or term policies or to policies issued or granted pursuant to nonforfeiture provisions, shall to that extent not be incorporated therein.

304.893 CREDITING OF DIVIDENDS: An insurer shall credit annually beginning not later than the fifth policy year, any dividend arising under a participating industrial life insurance contract.

304.894 PROHIBITED PROVISIONS: No such policy shall contain any provision giving the insurer the right to declare the policy void because the insured has had any disease or ailment, whether specified or not, or because the insured has been rejected for insurance or has received institutional, hospital, medical, or surgical treatment or attention; except, that the policy may contain a provision which gives the insurer the right to declare the policy void, either before or after claim (a) if before the date of issue of the policy the insured had any one or more of such serious diseases or ailments as is specified in such provision or (b) has been rejected for insurance or (c) if within two years before the date of issue of the policy the insured has received institutional, hospital, medical, or surgical treatment or attention, unless such disease, ailment, rejection, treatment or attention is specifically waived by an endorsement on the policy or unless the insured or claimant under the policy shows by the clear preponderance of the evidence that the specified disease or ailment or the condition occasioning such rejection, treatment or attention was not material to the risk.

304.895 LIMITATION OF LIABILITY: The insurer may in any such policy limit its liability for the same causes and to the same extent as is provided in KRS 304.817 for other life insurance contracts.

ARTICLE TWENTY-FIVE

PROPERTY INSURANCE

304.905 VALUED POLICY LAW; REAL PROPERTY: (1) Except as provided in subsection (2) of this section, insurers that take fire or storm risks on real property in this state shall, in case of total loss thereof by fire or storm, be liable for the full estimated value of the property insured, as the value thereof is fixed on the face of the policy, except that the estimated value of the property insured may be diminished to the extent of any depreciation in the value of the property occurring between the date of the policy and the loss. In case of partial loss of the property insured, the liability of the insurer shall not exceed the actual loss of the party insured. The insured shall be liable for any fraud he may practice in fixing the value of the property, if the insurer is misled thereby.

(2) Insurers of such property against fire or storm may contract with the insured that the insured shall, during the life of the policy, maintain insurance upon the property so insured to the extent of an agreed proportion of the actual cash value of the property at the time of loss, and that if the insured fails to do so, the insured shall be a co-insurer to the extent that the insurance then in force is less than the amount of the agreed proportion, and shall bear his part of any loss, as co-insurer, to that extent. The acceptance of a policy containing such a provision shall be at the option of the insured, and a reduced premium rate shall apply to the policy. No such provision shall be valid unless the agreement setting forth the terms of the provision is signed by both the insurer and the insured.

304.907 VALUED POLICY LAY LIVESTOCK: Insurers that take life or accident risks on livestock in this state shall, in case of the death of any stock so insured, be liable for the full estimated value of the stock as fixed on the face of the policy. The insured shall be liable for any fraud he may practice in fixing the value of the property, if the insurer is misled thereby.

ARTICLE TWENTY-SIX
SURETY

304.911 REQUIREMENTS DEEMED MET BY SURETY INSURER: Whenever by law or by rule of any court, public official

or public body, any surety bond, recognizance, obligation, stipulation or undertaking is required or is permitted to be given, any such bond, recognizance, obligation, stipulation, or undertaking which is otherwise proper and the conditions of which are guaranteed by an authorized surety insurer, or by an unauthorized surety insurer as a surplus line pursuant to article fifteen of this code, shall be approved and accepted and shall be deemed to fulfill all requirements as to number of sureties, residence or status of sureties, and other similar requirements.

304.913 RELEASE FROM LIABILITY: A surety insurer may be released from its liability on the same terms and conditions as are provided by law for the release of individuals as sureties.

304.914 COURT BONDS, COSTS: In any proceeding the party entitled to recover costs may include therein such reasonable sum as was paid to an authorized surety insurer as premium for any bond or undertaking required therein, and as may be allowed by the court having jurisdiction of such proceeding.

ARTICLE TWENTY-SEVEN

TITLE INSURERS

304.915 SCOPE OF ARTICLE: This article relates only to title insurers.

304.916 QUALIFICATION: (1) A title insurer shall be a stock insurer.

(2) Such an insurer shall have paid-up capital stock in amount as follows:

<i>Population of county in which business is to be transacted</i>	<i>Paid-up capital required</i>
Less than 75,000	\$ 25,000
75,000 to 100,000	50,000
Over 100,000	150,000

(3) An insurer may transact business in more than one county by having paid-up capital in the largest amount required for any one such counties.

(4) The insurer shall not be authorized to transact business until it has a guaranty fund as provided by KRS 304.920.

304.918 POWERS OF TITLE INSURER: A title insurer shall have corporate powers as set forth in KRS 271.125, and in addition shall have power to

(1) examine titles to real estate and chattels real, and to procure and furnish information relative thereto;

(2) make and guarantee the correctness of searches of all instruments, liens, or charges affecting such titles;

(3) make insurance of every kind pertaining to or connected with titles to real estate; and to make and issue such policies and other instruments as may be required to insure owners of real estate, mortgagees, and others having an interest therein, from loss by reason of liens, encumbrances, and defective titles;

(4) act as trustee under mortgages or deeds of trust executed to secure payment of bonds where the title to the real estate included in the mortgage or deed of trust has been examined and approved by the insurer; to act as agent in fact for investors in, and the holders of mortgages or deeds of trust or bonds, notes or other evidences of indebtedness mentioned in sub-section (1) of KRS 304.431 in the purchase, sale and servicing thereof;

(5) to acquire and hold, subject to KRS 271.145 and this article, such real and personal property as may be necessary or convenient for the conduct of its business, including real estate taken in satisfaction of debts due the insurer or by subrogation under its guaranties or insurance, and to sell, lease, pledge, mortgage and convey such property.

304.920 GUARANTY FUND: (1) Before issuance of its certificate of authority the insurer shall set apart not less than forty per cent (40%) of the amount of its capital stock, but in no case less than two-thirds of its minimum required capital stock, as a guaranty fund.

(2) The insurer shall invest such guaranty fund only in such investments as are eligible under article eleven of this code for funds of life insurers.

(3) The guaranty fund shall be security for the payment of losses and expenses incurred on account of the insurer's guaranties or insurance, and shall not be subject to the insurer's other liabilities so long as any such guaranties or insurance are outstanding.

(4) The insurer shall suspend issuance of new guaranties or insurance during any period in which the guaranty fund is less than the amount required by this section. The insurer's officers and directors knowingly violating this provision shall be jointly and severally liable as to losses incurred thereby.

(5) The amount of the guaranty fund shall be reported to the commissioner as part of the insurer's annual statement.

(6) The insurer's assets representing the guaranty fund shall be kept segregated from other assets.

304.922 INVESTMENTS: (1) The insurer may invest up to one-third (1/3) of its minimum required capital, and any of its surplus in such books, maps, abstracts, and other records as are requisite or convenient for transaction of its business as title insurer, and in the maintenance thereof.

(2) The insurer may invest the remainder of its funds, after meeting its guaranty fund requirements, in such investments as are eligible as investments of insurers other than life insurers under article eleven of this code, with the following modifications:

(a) The insurer may loan on security of a real estate mortgage an amount not exceeding seventy-five per cent (75%) of the value of the property mortgaged. The extent to which a mortgage loan made under item (c) or (d) of sub-section (1) of KRS 304.431 is guaranteed or insured by the Federal Housing Administration or guaranteed by the Administrator of Veterans Affairs may be deducted before application of the limitation contained in this sub-section. Unless the insurer's paid-in capital and surplus exceed five hundred thousand dollars (\$500,000), its real estate mortgage investments shall be restricted to mortgages secured by property located in this state.

(b) The limitations contained in KRS 304.403, sub-section (2) of KRS 304.431, sub-section (2) of KRS 304.437, KRS 304.438, and KRS 304.441 shall not apply as to such investments.

(c) The insurer shall not, without the prior approval of the commissioner, invest more than ten per cent (10%) of its assets in the stock of any corporation engaged in business as a title insurer or as a real estate mortgage company.

(3) KRS 304.448 shall apply as to title insurers.

304.923 PROHIBITION UPON GUARANTEEING MORTGAGES: An insurer shall not in any manner guarantee the payment of the principal or the interest of bonds or other obligations executed by others.

ARTICLE TWENTY-EIGHT

UNFAIR PRACTICES AND FRAUDS

304.924 DECLARATION OF PURPOSE: The purpose of this article is to regulate trade practices in the business of insurance in accordance with the intent of Congress as expressed in the Act of Congress of March 9, 1945 (Public Law 15, 79th Congress), by defining, or providing for the determination of, all such practices in this state which constitute unfair methods of competition or deceptive acts or practices and by prohibiting the trade practices so defined or determined.

304.925 UNFAIR COMPETITION; UNFAIR, DECEPTIVE PRACTICES PROHIBITED: No person shall engage in this state in any act or practice which is prohibited in this article, or which is defined in this article as, or determined pursuant to this article to be, an unfair method of competition or an unfair or deceptive act or practice in the business of insurance.

304.926 BOYCOTT, COERCION AND INTIMIDATION: No person shall enter into any agreement to commit, or by any concerted action commit, any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance.

304.927 ADVERTISEMENTS IN GENERAL: No person shall make or disseminate orally or in any other manner any advertisement, information, matter, statement, or thing:

(1) Misrepresenting the terms of any policy of the benefits or advantages thereof or dividends or share of surplus to be received thereon, or setting forth false or misleading information or estimate as to dividends or share of surplus previously paid on similar policies.

(2) Using any name or title of any policy or class of policies misrepresenting the true nature thereof.

(3) Setting forth any misleading representation or any misrepresentation as to the financial condition of an insurer, or as to the legal reserve system upon which any life insurer operates.

(4) Containing any assertion, representation, or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive, or misleading.

304.928 ADVERTISEMENT OF ASSETS, LIABILITIES: Any advertisement or other dissemination of information by or on behalf of an insurer stating the insurer's assets shall, in the same connection and with equal conspicuousness, state the insurer's liabilities, computed on the basis allowed for its annual statements. Any such statement purporting to show the insurer's capital shall state only the amount of actual paid-in capital.

304.929 FALSE FINANCIAL STATEMENTS: (1) No person shall file with any public official, or make or disseminate any false statement of financial condition of an insurer with intent to deceive.

(2) No person shall make any false entry in any record, report or statement of any insurer or other person required to have records under this code, with intent to deceive the commissioner or any examiner lawfully appointed to examine into its affairs, or with like intent willfully omit to make a true entry of any material fact pertaining to its business.

304.930 DEFAMATION: No person shall make, publish, or disseminate, or aid, abet or encourage the making, publishing or dissemination of any information or statement which is false or maliciously critical of or derogatory to the financial condition of an insurer, and which is designed to injure in its reputation or business any insurer, or any domestic corporation or reciprocal being formed pursuant to this code for the purpose of becoming an insurer, or other person engaged in the insurance business.

304.931 UNFAIR DISCRIMINATION: (1) No insurer, other than a life insurer or disability insurer, shall make or permit any unfair discrimination in favor of particular persons, or between insureds or subjects of insurance having substantially like insuring, risk, and exposure factors, or expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of pre-

mium charged therefor. This sub-section shall not apply as to any premium or premium rate in effect pursuant to article sixteen of this code.

(2) No insurer shall make or permit any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract, except that in determining the class, consideration may be given to the nature of the risk, plan of insurance, the actual or expected expense of conducting the business or any other relevant factor.

(3) No insurer shall make or permit any unfair discrimination between individuals of the same class involving essentially the same hazards in the amount of premium, policy fees, or rates charged for any policy or contract of disability insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatsoever, except that in determining the class, consideration may be given to the nature of the risk, plan of insurance, the actual or expected expense of conducting the business or any other relevant factor.

304.932 REBATES PROHIBITED: (1) No insurer or employee or representative thereof shall knowingly charge, demand, or receive a premium for any insurance policy except in accordance with the applicable filing on file with the commissioner. No such insurer, employee, or representative shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance or after insurance has been effected, any rebate, discount, abatement, credit or reduction of the premium named in a policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducements whatever, or give, sell, or purchase, or offer to give, sell, or purchase anything of value whatsoever not specified in the policy, except to the extent provided for in such applicable filing.

(2) No insured named in a policy, nor any employee or representative thereof shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement or reduction of premium, or any special favor or advantage or valuable consideration or inducement.

(3) Subsections (1) and (2) of this section shall not apply as to life insurance and disability insurance. Except as expressly provided by law no insurer, employee, or representative shall knowingly permit or offer to make or make any contract of life insurance, life annuity or disability insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not expressed in the contract.

304.933 EXCEPTIONS TO DISCRIMINATION AND REBATE PROHIBITION: Nothing in KRS 304.931 and 304.932 shall be construed as prohibiting:

(1) Payment of lawfully earned commission or other lawful compensation to duly licensed agents, brokers, and solicitors.

(2) Distribution by a participating insurer to its participating policyholders of dividends, savings, or the unused or unabsorbed portion of premiums and premium deposits.

(3) Furnishing of information, advice or services for the purpose of reducing the loss or liability to loss under a policy.

(4) Life insurers from paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from non-participating insurance, if such bonuses or abatement is fair and equitable to all policyholders and for the best interests of the insurer and its policyholders.

(5) In the case of insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expense or making allowance to policyholders who make premium payments at less frequent intervals than required.

(6) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of any policy year of insurance thereunder, which may be made retroactive only for such policy year.

304.934 ILLEGAL INDUCEMENTS: No insurer, agent, broker, solicitor, or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, sell, buy, or offer or promise to buy, sell, give, promise, or allow to the insured or prospective insured or to any other person on his behalf in any manner whatsoever:

(a) Any employment.

(b) Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto.

(c) Any advisory board contract, or any similar contract, agreement or understanding, offering, providing for, or promising any profits or special returns or special dividends.

(d) Any prizes, goods, wares, merchandise, or property of an aggregate value in excess of one dollar (\$1).

304.935 DESIGNATION OF FAVORED AGENT OR INSURED: (1) No person shall, as a condition to or in connection with any loan or the purchase of any property under contract, require that any insurance to be procured by or on behalf of the vendee or borrower on account of such loan or purchase or on property securing such loan or the subject of such contract, in any manner, be so procured through any particular person, agent, broker, solicitor, or in any particular insurer.

(2) This section shall not prevent the reasonable exercise by any such vendor or lender of his right to approve or disapprove the insurer selected to underwrite the insurance, and to determine the adequacy of the insurance offered.

(3) This section shall not apply to group insurance under a policy issued to a creditor pursuant to KRS 304.841.

304.937 INTERLOCKING OWNERSHIP, MANAGEMENT: (1) Any insurer may retain, invest in or acquire the whole or any part of the capital stock of any other insurer or insurers, or have a common management with any other insurer or insurers, unless such retention, investment, acquisition or common management is inconsistent with any other provision of this code, or unless by reason thereof the business of such insurers with the public is conducted in a manner which substantially lessens competition generally in the insurance business or tends to create a monopoly therein.

(2) Any person otherwise qualified may be a director of two or more insurers which are competitors, unless the effect thereof is to substantially lessen competition between insurers generally or tends to create a monopoly.

304.942 "TWISTING" PROHIBITED: No person shall make any misleading representations or incomplete or fraudulent comparisons of any life or disability insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, or convert any life or disability insurance policy.

304.943 ILLEGAL DEALING IN PREMIUMS: (1) No person shall willfully collect any sum as premium or charge for insurance, which insurance is not then provided or is not in due course to be provided (subject to acceptance of the risk by the insurer) by an insurance policy issued by an insurer as authorized by this code.

(2) No person shall willfully collect as premium or charge for insurance any sum in excess of the amount actually expended or in due course is to be expended for insurance applicable to the subject on account of which the premium was collected or charged.

(3) No person shall willfully or knowingly fail to return to the person entitled thereto within a reasonable time any sum collected as premium or charge for insurance in excess of the amount actually expended for insurance, or for medical examination in the case of life insurance, applicable to the subject on account of which the premium or charge was collected.

(4) Each violation of this section shall be punishable as provided in KRS 304.990.

304.944 DESIST ORDER, DEFINED PRACTICES: (1) If, after a hearing thereon of which notice of such hearing and of the charges against him were given such person, the commissioner finds that any person in this state has engaged or is engaging in any act or practice defined in or prohibited under this article, the commissioner shall order such person to desist from such acts or practices.

(2) Such desist order shall become final upon expiration of the time allowed for appeals from the commissioner's orders, if no such appeal is taken, or, in event of such an appeal, upon final decision of the court if the court affirms the commissioner's order or

dismisses the appeal. An intervenor in such hearing shall have the right to appeal as provided in subsection (3) of KRS 304.945.

(3) In event of such an appeal, to the extent that the commissioner's order is affirmed the court shall issue its own order commanding obedience to the terms of the commissioner's order.

(4) No order of the commissioner pursuant to this section or order of court to enforce it shall in any way relieve or absolve any person affected by such order from any other liability, penalty, or forfeiture under law.

304.945 DESIST ORDER, UNDEFINED PRACTICES: (1) If the commissioner believes that any person engaged in the insurance business is engaging in this state in any method of competition or in any act or practice in the conduct of such business which is not defined in this article but that such method of competition is unfair or that such act or practice is unfair or deceptive and that a proceeding by him in respect thereto would be in the public interest, he shall, after a hearing of which notice of the hearing and of the charges against him are given such person, make a written report of his findings of fact relative to such charges and serve a copy thereof upon such person and any intervenor at the hearing.

(2) If such report charges a violation of this article and if such method of competition, act or practice has not been discontinued, the commissioner may, through the Attorney General, at any time after the service of such report cause an action to be instituted to enjoin and restrain such person from engaging in such method, act, or practice. In such action the court may grant a restraining order or injunction upon such terms as may be just; but the people of this Commonwealth shall not be required to give security before the issuance of any such order or injunction. If a stenographic record of the proceedings in the hearing before the commissioner was made, a certified transcript thereof including all evidence taken and the report and findings shall be received in evidence in such action.

(3) If the commissioner's report made pursuant to subsection (1) of this section or order on hearing made pursuant to KRS 304.944 does not charge a violation of this article, then any intervenor in the proceedings may appeal therefrom within the time and in the manner provided in this code for appeals from the commissioner generally.

ARTICLE TWENTY-NINE

MERGERS, REHABILITATION, LIQUIDATION

304.951 SCOPE OF ARTICLE: In addition to persons included under KRS 304.960 the term "insurer" shall, for the purposes of this article, be deemed to include all persons purporting to be engaged as insurers in the insurance business in this state, and to include persons in process of organization to become insurers.

304.952 MERGER OR CONSOLIDATION: (1) Subject to the provisions of KRS 304.144, relating to the mutualization of stock insurers, KRS 304.192, relating to the conversion or reinsurance of mutual insurers, and KRS 304.310, relating to the consolidation or conversion of reciprocal insurers, a domestic insurer may merge or consolidate with another insurer, subject to the following conditions:

(a) The plan of merger or consolidation must be submitted to and be approved by the commissioner in advance of the merger or consolidation.

(b) The commissioner shall not approve any such plan unless, after a hearing, he finds that it is fair, equitable, consistent with law, and that no reasonable objection exists. If the commissioner fails to approve the plan, he shall state his reasons for such failure in his order made on such hearing.

(c) No director, officer, member, or subscribers of any such insurer, except as is expressly provided by the plan of merger or consolidation, shall receive any fee, commission, other compensation or valuable consideration whatsoever, for in any manner aiding, promoting or assisting in the merger or consolidation.

(d) Any merger or consolidation as to an incorporated domestic insurer shall in other respects be governed by the general laws of this state relating to business corporations. Except, that as to domestic mutual insurers, approval by two-thirds (2/3) of its members who vote thereon pursuant to such notice and procedure as was approved by the commissioner shall constitute approval of the merger or consolidation as respects the insurer's members.

(2) Reinsurance of all or substantially all of the insurance in force of a domestic insurer by another insurer shall be deemed a consolidation for the purposes of this section.

304.953 GROUNDS FOR REHABILITATION OR LIQUIDATION: (1) The commissioner may apply for an order directing him to rehabilitate or liquidate a domestic insurer upon one or more of the following grounds: That the insurer

(a) has liabilities exceeding its assets, or is otherwise deemed insolvent or found by the commisisoner to be insolvent; or

(b) has refused to submit its books, records, accounts or affairs to the reasonable examination of the commissioner; or

(c) has an officer, director, or manager who has refused to be examined under oath concerning its affairs; or

(d) has ceased for the period of one year to transact insurance business; or

(e) is in process of organization to become an insurer and has failed to complete its organization or to secure certificate of authority within the time allowed by any solicitation permit or authorization for sale of securities issued by the Director of the Division of Securities; or

(f) has failed to comply with the commissioner's order, made pursuant to law, to make good an impairment of capital (if a stock insurer) or an impairment of assets (if a mutual, Lloyd's or reciprocal) within the time prescribed by law; or

(g) has willfully violated its charter or any law of this state; or

(h) is found by the commissioner to be in such condition that its further transaction of business will be hazardous to its policyholders, or to its creditors, members, subscribers, stockholders, or to the public; or

(i) has transferred or attempted to transfer substantially its entire property or business, or has entered into any transaction the effect of which is to merge substantially its entire property or business in that of any other insurer without first having obtained the commissioner's written approval; or

(j) has commenced voluntary liquidation or dissolution, or attempts to commence or prosecute any action or proceeding to liquidate its business or affairs, or to dissolve its corporate charter, or to procure the appointment of a receiver, trustee, custodian, or sequestrator; or

(k) has been the subject of an application for the appointment of a receiver, trustee, custodian or sequestrator of the insurer or of its property, or if a receiver, trustee, custodian, or sequestrator is appointed by any court or if such appointment is imminent; or

(l) has consented to such an order through a majority of its directors, stockholders, members, or subscribers; or

(m) has failed to pay a final judgment rendered against it in any state upon any insurance contract issued or assumed by it, within sixty (60) days after the judgment became final or within sixty (60) days after time for taking an appeal has expired, or within sixty (60) days after dismissal of an appeal before final determination, whichever date is the later.

304.954 ORDER OF REHABILITATION—TERMINATION:

(1) An order to rehabilitate a domestic insurer shall direct the commissioner forthwith to take possession of the property of the insurer and to conduct the business thereof, and to take such steps toward removal of the causes and conditions which have made rehabilitation necessary as the court may direct.

(2) If at any time the commissioner deems that further efforts to rehabilitate the insurer would be useless, he may apply to the court for an order of liquidation.

(3) The commissioner, or any interested person upon due notice to the commissioner, at any time may apply for an order terminating the rehabilitation proceeding and permitting the insurer to resume possession of its property and the conduct of its business, but no such order shall be granted except when, after a full hearing, the court has determined that the purposes of the proceedings have been fully accomplished.

304.955 ORDER OF LIQUIDATION: (1) An order to liquidate the business of a domestic insurer shall direct the commissioner forthwith to take possession of the property of the insurer, to liquidate its business, to deal with the insurer's property and business in his own name as commissioner or in the name of the insurer as the court may direct, to give notice to all creditors who may have claims against the insurer to present such claims.

(2) The commissioner may apply under this article for an order dissolving the corporate existence of a domestic insurer:

(a) Upon his application for an order of liquidation of such insurer, or at any time after such order has been granted; or

(b) upon the grounds specified in item (e) of sub-section (1) of KRS 304.953, regardless of whether an order of liquidation is sought or has been obtained.

304.956 LIQUIDATION OF ALIEN INSURERS: An order to liquidate the business of the United States branch of an alien insurer having trusteed assets in this state shall be in the same terms as those prescribed for domestic insurers, except that only the assets of the business of such United States branch shall be included therein.

304.957 CONSERVATION OF ASSETS OF FOREIGN OR ALIEN INSURER: The commissioner may apply for an order directing him to conserve the assets within this state of a foreign or alien insurer upon any one or more of the applicable grounds specified in KRS 304.953.

304.959 ORDER OF CONSERVATION OR ANCILLARY LIQUIDATION OF FOREIGN OR ALIEN INSURERS: (1) An order to conserve the assets of a foreign or alien insurer shall direct the commissioner forthwith to take possession of the property of the insurer within this state and to conserve it, subject to the further direction of the court.

(2) Whenever a domiciliary receiver is appointed for any such insurer in its domiciliary state which is also a reciprocal state, as defined in KRS 304.960, the court shall on application of the commissioner appoint the commissioner as the ancillary receiver in this state, subject to the provisions of the Uniform Insurers Liquidation Act.

304.960 UNIFORM INSURERS LIQUIDATION ACT: This section and KRS 304.961 to 304.968 inclusive comprise and may be cited as the Uniform Insurers Liquidation Act. For the purposes of this act:

(1) "Insurer" means any person, firm, corporation, association, or aggregation of persons doing an insurance business and subject to the insurance supervisory authority of, or to liquidation, rehabilitation, reorganization, or conservation by, the commissioner, or the equivalent insurance supervisory official of another state.

(2) "Delinquency proceeding" means any proceeding commenced against an insurer for the purpose of liquidating, rehabilitating, reorganizing, conserving such insurer.

(3) "State" means any state of the United States, and also the District of Columbia, Alaska, Hawaii and Puerto Rico.

(4) "Foreign country" means territory not in any state.

(5) "Domiciliary state" means the state in which an insurer is incorporated or organized, or, in the case of an insurer incorporated or organized in a foreign country, the state in which such insurer, having become authorized to do business in such state, has, at the commencement of delinquency proceedings, the largest amount of its assets held in trust and assets held on deposit for the benefit of its policyholders or policyholders and creditors in the United States; and any such insurer is deemed to be domiciled in such state.

(6) "Ancillary state" means any state other than a domiciliary state.

(7) "Reciprocal state" means any state other than this state in which in substance and effect the provisions of this act are in force, including the provisions requiring that the Insurance Commissioner or equivalent insurance supervisory official be the receiver of a delinquent insurer.

(8) "General assets" means all property, real, personal, or otherwise, not specifically mortgaged, pledged, deposited, or otherwise encumbered for the security or benefit of specified persons or a limited class or classes of persons, and as to such specifically encumbered property the term includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured thereby. Assets held in trust and assets held on deposit for the security or benefit of all policyholders, or all policyholders and creditors in the United States, shall be deemed general assets.

(9) "Preferred claim" means any claim with respect to which the law of a state or of the United States accords priority of payment from the general assets of the insurer.

(10) "Special deposit claim" means any claim secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons, but not including any general assets.

(11) "Secured claim" means any claim secured by mortgage, trust, deed, pledge, deposit as security, escrow, or otherwise, but not including special deposit claim or claims against general assets. The term also includes claims which more than four (4) months prior to the commencement of delinquency proceedings in the state of the insurer's domicile have become liens upon specific assets by reason of judicial process.

(12) "Receiver" means receiver, liquidator, rehabilitator, or conservator as the context may require.

304.961 CONDUCT OF DELINQUENCY PROCEEDINGS AGAINST INSURERS DOMICILED IN THIS STATE: (1) Whenever under the laws of this state a receiver is to be appointed in delinquency proceedings for an insurer domiciled in this state, the court shall appoint the commissioner as such receiver. The court shall direct the commissioner forthwith to take possession of the assets of the insurer and to administer the same under the orders of the court.

(2) As domiciliary receiver the commissioner shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer wherever located, as of the date of entry of the order directing him to rehabilitate or liquidate a domestic insurer, or to liquidate the United States branch of an alien insurer domiciled in this state, and he shall have the right to recover the same and reduce the same to possession; except that ancillary receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are hereinafter prescribed for ancillary receivers appointed in this state as to assets located in this state.

(3) The filing or recording of the order directing possession to be taken, or a certified copy thereof, in the office where instruments affecting title to property are required to be filed or recorded shall impart the same notice as would be imparted by a deed, bill of sale, or other evidence of title duly filed or recorded.

(4) The commissioner as domiciliary receiver shall be responsible on his official bond for the proper administration of all assets coming into his possession or control. The court may at any time require an additional bond from him or his deputies if deemed desirable for the protection of the assets.

(5) Upon taking possession of the assets of an insurer the domiciliary receiver shall, subject to the direction of the court, immediately proceed to conduct the business of the insurer or to take such steps as are authorized by the laws of this state for the purpose of liquidating, rehabilitating, reorganizing, or conserving the affairs of the insurer.

(6) In connection with delinquency proceedings the commissioner may appoint one or more special deputy commissioners to act for him, and may employ such counsel, clerks, and assistants as he deems necessary. The compensation of the special deputies, counsel, clerks or assistants and all expenses of taking possession of the insurer and of conducting the proceedings shall be fixed by the receiver, subject to the approval of the court, and shall be paid out of the funds or assets of the insurer. Within the limits of the duties imposed upon them special deputies shall possess all the powers given to, and, in the exercise of those powers, shall be subject to all of the duties imposed upon the receiver with respect to such proceedings.

304.962 CONDUCT OF DELINQUENCY PROCEEDINGS AGAINST INSURERS NOT DOMICILED IN THIS STATE: (1) Whenever under the laws of this state an ancillary receiver is to be appointed in delinquency proceedings for an insurer not domiciled in this state, the court shall appoint the commissioner as ancillary receiver. The commissioner shall file a petition requesting the appointment (a) if he finds that there are sufficient assets of such insurer located in this state to justify the appointment of an ancillary receiver, or (b) if ten (10) or more persons resident in this state having claims against such insurer file a petition with the commissioner requesting the appointment of such ancillary receiver.

(2) The domiciliary receiver for the purpose of liquidating an insurer domiciled in a reciprocal state, shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer located in this state, and he shall have the immediate right to recover balances due from local agents and to obtain possession of any books and records of the insurer found in this state. He shall also be entitled to recover the other assets of the insurer located in this state except that upon the appointment of an ancillary receiver in this state, the ancillary receiver shall during the ancillary receivership proceedings have the

sole right to recover such other assets. The ancillary receiver shall, as soon as practicable, liquidate from their respective securities those special deposit claims and secured claims which are proved and allowed in the ancillary proceedings in this state, and shall pay the necessary expenses of the proceedings. All remaining assets he shall promptly transfer to the domiciliary receiver. Subject to the foregoing provisions the ancillary receiver and his deputies shall have the same powers and be subject to the same duties with respect to the administration of such assets, as a receiver of an insurer domiciled in this state.

(3) The domiciliary receiver of an insurer domiciled in a reciprocal state may sue in this state to recover any assets of such insurer to which he may be entitled under the laws of this state.

304.963 CLAIMS OF NONRESIDENTS AGAINST DOMESTIC INSURERS: (1) In a delinquency proceeding begun in this state against an insurer domiciled in this state, claimants residing in reciprocal states may file claims either with the ancillary receivers, if any, in their respective states, or with the domiciliary receiver. All such claims must be filed on or before the last date fixed for the filing of claims in the domiciliary delinquency proceedings.

(2) Controverted claims belonging to claimants residing in reciprocal states may either (a) be proved in this state as provided by law, or (b) if ancillary proceedings have been commenced in such reciprocal states, may be proved in those proceedings. In the event a claimant elects to prove his claim in ancillary proceedings, if notice of the claim and opportunity to appear and be heard is afforded the domiciliary receiver of this state as provided in KRS 304.964 with respect to ancillary proceedings in this state, the final allowance of such claim by the courts in the ancillary state shall be accepted in this state as conclusive as to its amount and shall be accepted as conclusive as to its priority, if any, against special deposits or other security located within the ancillary state.

304.964 CLAIMS AGAINST FOREIGN INSURER: (1) In a delinquency proceedings in a reciprocal state against an insurer domiciled in that state, claimants, against such insurer, who reside within this state may file claims either with the ancillary receiver, if any, appointed in this state, or with the domiciliary receiver. All

such claims must be filed on or before the last date fixed for the filing of claims in the domiciliary delinquency proceeding.

(2) Controverted claims belonging to claimants residing in this state may either (a) be proved in the domiciliary state as provided by law of that state, or (b), if ancillary proceedings have been commenced in this state, be proved in those proceedings. In the event that any such claimant elects to prove his claim in this state, he shall file his claim with the ancillary receiver in the manner provided by the law of this state for the proving of claims against insurers domiciled in this state, and he shall give notice in writing to the receiver in the domiciliary state, either by registered mail or by personal service at least forty (40) days prior to the date set for hearing. The notice shall contain a concise statement of the amount of the claim, the facts on which the claim is based, and the priorities asserted, if any. If the domiciliary receiver, within thirty (30) days after the giving of such notice, shall give notice in writing to the ancillary receiver and to the claimant, either by registered mail or by personal service, of his intention to contest such claim, he shall be entitled to appear or to be represented in any proceeding in this state involving the adjudication of the claim. The final allowance of the claim by the courts of this state shall be accepted as conclusive as to its amount, and shall also be accepted as conclusive as to its priority, if any, against special deposits or other security located within this state.

304.965 PRIORITY OF CERTAIN CLAIMS: (1) In a delinquency proceeding against an insurer domiciled in this state, claims owing to residents of ancillary states shall be preferred claims if like claims are preferred under the laws of this state. All such claims owing to residents or nonresidents shall be given equal priority of payment from general assets regardless of where such assets are located.

(2) In a delinquency proceeding against an insurer domiciled in a reciprocal state, claims owing to residents of this state shall be preferred if like claims are preferred by laws of that state.

(3) The owners of special deposit claims against an insurer for which a receiver is appointed in this or any other state shall be given priority against their several special deposits in accordance with the provisions of the statutes governing the creation and maintenance of such deposits. If there is a deficiency in any such deposit so that the

claims secured thereby are not fully discharged therefrom, the claimants may share in the general assets, but such sharing shall be deferred until general creditors, and also claimants against other special deposits who have received smaller percentages from their respective special deposits, have been paid percentages of their claims equal to the percentage paid from the special deposit.

(4) The owner of a secured claim against an insurer for which a receiver has been appointed in this or any other state may surrender his security and file his claim as a general creditor, or the claim may be discharged by resort to the security, in which case the deficiency, if any, shall be treated as a claim against the general assets of the insurer on the same basis as claims of unsecured creditors. If the amount of the deficiency has been adjudicated in ancillary proceedings as provided in this act, or if it has been adjudicated by a court of competent jurisdiction in proceedings in which the domiciliary receiver has had notice and opportunity to be heard, such amount shall be conclusive; otherwise the amount shall be determined in the delinquency proceeding in the domiciliary state.

304.966 ATTACHMENT AND GARNISHMENT OF ASSETS: During the pendency of delinquency proceedings in this or any reciprocal state no action or proceeding in the nature of an attachment, garnishment, or execution shall be commenced or maintained in the courts of this state against the delinquent insurer or its assets. Any lien obtained by any such action or proceeding within four (4) months prior to the commencement of any such delinquency proceeding or at any time thereafter shall be void as against any rights arising in such delinquency proceeding.

304.968 CONSTITUTIONALITY — UNIFORMITY OF INTERPRETATION: (1) If any provision of this Uniform Insurer's Liquidation Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

(2) This Uniform Insurer's Liquidation Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states that enact it. To the extent that its

provisions, when applicable, conflict with other provisions of this article, the provisions of this act shall control.

304.969 COMMENCEMENT OF A PROCEEDING: (1) Proceedings under this article involving a domestic insurer may be commenced in the circuit court for the county in which is located the insurer's home office or in the Franklin circuit court. Proceedings under this article involving other insurers shall be commenced in the Franklin circuit court.

(2) The commissioner shall commence any such proceeding by an application to the court or to any judge thereof, for an order directing the insurer to show cause why the commissioner should not have the relief prayed for. On the return of such order to show cause, and after a full hearing, the court shall either deny the application or grant the application together with such other relief as the nature of the case and the interests of policyholders, creditors, stockholders, members, subscribers, or the public may require.

304.970 INJUNCTIONS: (1) Upon application by the commissioner for such an order to show cause or at any time thereafter, the court may without notice issue an injunction restraining the insurer, its officers, directors, stockholders, members, subscribers, agents, and all other persons from the transaction of its business or the waste or disposition of its property until the further order of the court.

(2) The court may at any time during a proceeding under this article issue such other injunctions or orders as may be deemed necessary to prevent interference with the commissioner or the proceeding, or waste of the assets of the insurer, or the commencement or prosecution of any actions, or the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against the insurer or against its assets or any part thereof.

304.972 DEPOSIT OF MONEYS COLLECTED: The moneys collected by the commissioner in a proceeding under this article, shall be, from time to time, deposited in one or more state or national banks, savings banks, or trust companies, and in the case of the insolvency or voluntary or involuntary liquidation of any such depository which is an institution organized and supervised under the laws of this state, such deposits shall be entitled to priority of

payment on an equality with any other priority given by the banking law of this state. The commissioner may in his discretion deposit such moneys or any part thereof in a national bank or trust company as a trust fund.

304.973 EXEMPTION FROM FILING FEES: The commissioner shall not be required to pay any fee to any public officer in this state for filing, recording, issuing a transcript or certificate, or authenticating any paper or instrument pertaining to the exercise by the commissioner of any of the powers or duties conferred upon him under this article, whether or not such paper or instrument be executed by the commissioner or his deputies, employees, or attorneys of record and whether or not it is connected with the commencement of an action or proceeding by or against the commissioner, or with the subsequent conduct of such action or proceeding.

304.974 BORROWING ON PLEDGE OF ASSETS: For the purpose of facilitating the rehabilitation, liquidation, conservation or dissolution of an insurer pursuant to this article the commissioner may, subject to the approval of the court, borrow money and execute, acknowledge and deliver notes or other evidences of indebtedness therefor and secure the repayment of the same by mortgage, pledge, assignment, transfer in trust, or hypothecation of any or all of the property whether real, personal, or mixed of such insurer, and the commissioner subject to the approval of the court shall have power to take any and all other action necessary and proper to consummate any such loans and to provide for the repayment thereof. The commissioner shall be under no obligation personally or in his official capacity as commissioner to repay any loan made pursuant to this section.

304.975 REPORT OF COMMISSIONER: The commissioner shall include in his annual report, the names of all insurers proceeded against under this article together with such facts as shall acquaint the policyholders, creditors, stockholders, and the public with the proceedings. To that end any deputy commissioner in charge of any such insurer shall file annually with the commissioner a report of the affairs of the insurer.

304.976 DATE RIGHTS FIXED ON LIQUIDATION: The rights and liabilities of the insurer and of its creditors, policyholders, stockholders, members, subscribers, and all other persons in-

terested in its estate shall, unless otherwise directed by the court, be fixed as of the date on which the order directing the liquidation of the insurer is filed in office of the clerk of the circuit court which made the order, subject to the provisions of KRS 304.980 with respect to the rights of claimants holding contingent claims.

304.977 VOIDABLE TRANSFERS: (1) Any transfer, of, or lien upon, the property of an insurer which is made or created within four (4) months prior to the granting of an order to show cause under this article with the intent of giving to any creditor or of enabling him to obtain a greater percentage of his debt than any other creditor of the same class and which is accepted by such creditor having reasonable cause to believe that such a preference will occur, shall be voidable.

(2) Every director, officer, employee, stockholder, member, subscriber, and any other person acting on behalf of such insurer who shall be concerned in any such act or deed and every person receiving thereby any property of such insurer or the benefit thereof shall be personally liable therefor and shall be bound to account to the commissioner.

(3) The commissioner as liquidator, rehabilitator or conservator in any proceeding under this article, may avoid any transfer of, or lien upon the property of an insurer which any creditor, stockholders, subscriber or member of such insurer might have avoided and may recover the property so transferred unless such person was a bona fide holder for value prior to the date of the granting of an order to show cause under this article. Such property or its value may be recovered from anyone who has received it except a bona fide holder for value as above specified.

304.978 PRIORITY OF CLAIMS FOR COMPENSATION: (1) Compensation actually owing to employees other than officers of an insurer, for services rendered within three (3) months prior to the commencement of a proceeding against the insurer under this article, but not exceeding three hundred dollars (\$300) for each such employee, shall be paid prior to the payment of any other debt or claim, and in the discretion of the commissioner may be paid as soon as practicable after the proceeding has been commenced; except, that at all times the commissioner shall reserve such funds as will in his opinion be sufficient for the expenses of administration.

(2) Such priority shall be in lieu of any other similar priority which may be authorized by law as to the wages or compensation of such employees.

304.979 SET-OFFS: (1) In all cases of mutual debts or mutual credits between the insurer and another person in connection with any action or proceeding under this article, such credits and debts shall be set off and the balance only shall be allowed or paid, except as provided in subsection (2) of this section.

(2) No set-off shall be allowed in favor of any such person where (a) the obligation of the insurer to such person would not at the date of entry of any liquidation order, or otherwise, as provided in KRS 304.976, entitle him to share as a claimant in the assets of the insurer, or (b) the obligation of the insurer to such person was purchased by or transferred to such person with a view of its being used as a set-off, or (c) the obligation of such person is to pay an assessment levied against the members of a mutual insurer, or against the subscribers of a reciprocal insurer, or is to pay an obligation with regard to the capital stock of a stock insurer.

304.980 ALLOWANCE OF CERTAIN CLAIMS: (1) No contingent claim shall share in a distribution of the assets of an insurer which has been adjudicated to be insolvent by an order made pursuant to KRS 304.981 except that such claims shall be considered, if properly presented, and may be allowed to share where

(a) such claim becomes absolute against the insurer on or before the last day fixed for filing of proofs of claim against the assets of such insurer, or

(b) there is a surplus and the liquidation is thereafter conducted upon the basis that such insurer is solvent.

(2) Where an insurer has been so adjudicated to be insolvent any person who has a cause of action against an insured of such insurer under a liability insurance policy issued by such insurer, shall have the right to file a claim in the liquidation proceeding, regardless of the fact that such claim may be contingent, and such claim may be allowed

(a) if it may be reasonably inferred from the proof presented upon such claim that such person would be able to obtain a judgment upon such cause of action against such insured; and,

(b) if such person shall furnish suitable proof, unless the court for good cause shown shall otherwise direct, that no further valid claims against such insurer arising out of his cause of action other than those already presented can be made; and,

(c) if the total liability of such insurer to all claimants arising out of the same act of its insured shall be no greater than its maximum liability would be were it not in liquidation.

No judgment against such an insured taken after the date of the entry of the liquidation order shall be considered in the liquidation proceedings as evidence of liability, or of the amount of damages, and no judgment against an insured taken by default, inquest or by collusion prior to the entry of the liquidation order shall be considered as conclusive evidence in the liquidation proceeding either of the liability of such insured to such person upon such cause of action or of the amount of damages to which such person is therein entitled.

(3) No claim of any secured claimant shall be allowed at a sum greater than the difference between the value of the claim without security and the value of the security itself as of the date of the entry of the order of liquidation or such other date set by the court for fixation of rights and liabilities as provided in KRS 304.976 unless the claimant shall surrender his security to the commissioner in which event the claim shall be allowed in the full amount for which it is valued.

304.981 TIME TO FILE CLAIMS: (1) If upon the granting of an order of liquidation under this article or at any time thereafter during the liquidation proceeding, the insurer shall not be clearly solvent, the court shall after such notice and hearing as it deems proper, make an order declaring the insurer to be insolvent. Thereupon, regardless of any prior notice which may have been given to creditors, the commissioner shall notify all persons who may have claims against such insurer and who have not filed proper proofs thereof, to present the same to him, at a place specified in such notice, within four (4) months from the date of the entry of such order, or, if the commissioner shall certify that it is necessary, within such longer time as the court shall prescribe. The last day for the filing of proofs of claim shall be specified in the notice. Such notice shall be given in a manner determined by the court.

(2) Proofs of claim may be filed subsequent to the date specified, but, no such claim shall share in the distribution of the assets until all allowed claims, proofs of which have been filed before said date, have been paid in full with interest.

304.982 REPORT FOR ASSESSMENT: Within three (3) years from the date an order of rehabilitation or liquidation of a domestic mutual insurer or a domestic reciprocal insurer was filed in the office of the clerk of the court by which such order was made, the commissioner may make a report to the court setting forth

(1) the reasonable value of the assets of the insurer;

(2) the insurer's probable liabilities; and

(3) the probable necessary assessment, if any, to pay all claims and expenses in full, including expenses of administration.

304.983 LEVY OF ASSESSMENT: (1) Upon the basis of the report provided for in KRS 304.982 including any amendments thereof, the court, ex parte, may levy one or more assessments against all members of such insurer who, as shown by the records of the insurer, were members (if a mutual insurer) or subscribers (if a reciprocal insurer) at any time within one (1) year prior to the date of issuance of the order to show cause under KRS 304.969.

(2) Such assessment or assessments shall cover the excess of the probable liabilities over the reasonable value of the assets, together with the estimated cost of collection and percentage of uncollectibility thereof. The total of all assessments against any member or subscriber with respect to any policy, whether levied pursuant to this article or pursuant to any other provisions of this code, shall be for no greater amount than that specified in the policy or policies of the member or subscriber and as limited under this code; except that if the court finds that the policy was issued at a rate or premium below the minimum rate lawfully permitted for the risk insured, the court may determine the upper limit of such assessment upon the basis of such minimum rate.

(3) No assessment shall be levied against any member or subscriber with respect to any nonassessable policy issued in accordance with this code.

304.984 ORDER TO PAY ASSESSMENT: After levy of assessment as provided in KRS 304.983, upon the filing of a further

detailed report by the commissioner, the court shall issue an order directing each member (if a mutual insurer) or each subscriber (if a reciprocal insurer) if he shall not pay the amount assessed against him to the commissioner on or before a day to be specified in the order, to show cause why he should not be held liable to pay such assessment together with costs as set forth in KRS 304.986 and why the commissioner should not have judgment therefor.

304.985 PUBLICATION AND TRANSMITTAL OF ASSESSMENT ORDER: The commissioner shall cause a notice of such assessment order setting forth a brief summary of the contents of such order to be

(1) published in such manner as shall be directed by the court; and

(2) enclosed in a sealed envelope, addressed and mailed postage prepaid to each member or subscriber liable thereunder at his last known address as it appears on the records of the insurer, at least twenty (20) days before the return day of the order to show cause provided for in KRS 304.984.

304.986 JUDGMENT UPON THE ASSESSMENT: (1) On the return day of the order to show cause provided for in KRS 304.984 if the member or subscriber does not appear and serve verified objections upon the commissioner, the court shall make an order adjudging that such member or subscriber is liable for the amount of the assessment against him together with costs, and that the commissioner may have judgment against the member or subscriber therefor.

(2) If on such return day the member or subscriber shall appear and serve verified objections upon the commissioner there shall be a full hearing before the court or a referee to hear and determine, who, after such hearing, shall make an order either negating the liability of the member or subscriber to pay the assessment or affirming his liability to pay the whole or some part thereof together with costs and the necessary disbursements incurred at such hearing, and directing that the commissioner in the latter case may have judgment therefor.

(3) A judgment upon any such order shall have the same force and effect, and may be entered and docketed, and may be appealed

from as if it were a judgment in an original action brought in the court in which the proceeding is pending.

ARTICLE THIRTY

PENALTIES

304.990—PENALTIES: (1) *Penalties for particular offenses.* Any person violating any of the following requirements or provisions of this code shall, upon conviction by a court of competent jurisdiction, be subject to the penalty prescribed therefor:

(a) *Illegal contracts:* Any person who makes a contract of insurance without complying with the applicable requirements of this code shall be liable to a fine of not more than one thousand dollars for each offense.

(b) *Contempt or obstruction:* Any person who refuses, without justifiable cause, to appear and testify when required to do so under the provisions of KRS 304.037, or who obstructs the commissioner in the discharge of his duty, shall, for each offense, be fined not more than one thousand dollars or imprisoned for not more than one year.

(c) *Business without authority:* Any insurer that transacts insurance in this state without a certificate of authority as provided for by this code shall be fined one hundred dollars for each day it continues to write new business in this state without the certificate. A suit to recover this penalty shall be instituted in the name of the Commonwealth by the Attorney General in the Franklin circuit court, whenever so directed by the commissioner.

(d) *Business after authority suspended or revoked:* Any insurer that writes any new business in this state during the suspension or after revocation of its certificate of authority shall forfeit not more than one thousand dollars for each offense.

(e) *Annual statement:* Any insurer failing to make and file its annual statement with the commissioner as required by this code, shall be subject to a fine of five hundred dollars for each failure.

(f) *Business through local agents:* Any person who violates KRS 304.097 shall be fined not less than five hundred dollars nor more than one thousand dollars for each offense.

(g) *Highway contracts*: Any insurer violating KRS 304.101 shall upon conviction be fined not less than one thousand dollars nor more than five thousand dollars, in the discretion of the jury. Any agent violating KRS 304.101 upon conviction shall be fined not less than one hundred dollars nor more than five hundred dollars, in the discretion of the jury.

(h) *Prohibited fees on investments*: Any person who violates KRS 304.448 shall be fined not less than five hundred dollars nor more than one thousand dollars, and confined in the county jail for not less than sixty days nor more than one year, for each offense.

(i) *Deposit requirements*: If the Custodian of Insurance Securities or any other person willfully violates any provision of this code relating to the deposit of assets by insurers, or willfully fails to keep, deposit, account for or surrender, faithfully, any securities deposited or received, he shall be fined not more than ten thousand dollars. If the offender is the custodian or any other individual, he shall, in addition to the fine, be confined in the penitentiary for not less than two nor more than ten years.

(j) *Representing unauthorized insurer*: Any person who violates KRS 304.580 shall be fined not less than twenty-five dollars nor more than five hundred dollars, or confined in the penitentiary for not more than one year, or both.

(k) *Rate Supervision*: Any person violating any provision of article sixteen of this code shall upon conviction be fined not more than fifty dollars for each violation, but if such violation is found to be willful such person shall be fined not more than five hundred dollars for each such violation.

(l) *Altering application*: Any person who violates KRS 304.654 shall be fined not more than one thousand dollars or confined in the penitentiary for not more than one year, or both.

(m) *Agreement contrary to policy*: Any person who violates subsection (2) of KRS 304.667 shall be fined not more than five hundred dollars.

(n) *Unfair discrimination*: Any person who knowingly violates KRS 304.931 shall be fined not more than five hundred dollars.

(o) *False statements or reports*: Any person whose duty it is to make or file any statement, report or other instrument in writing required by this code, who knowingly falsifies or fraudulently makes or files such statement, report, or other instrument, shall be imprisoned in the penitentiary for not less than two years nor more than ten years.

(p) *Rebates and illegal inducements*: Any person who violates KRS 304.932 or 304.934 shall be fined not more than five hundred dollars.

(q) *Unlawful Boycott, Coercion*: Any person who violates KRS 304.926 shall be fined not more than one thousand dollars or confined in the penitentiary for not more than one year, or both.

(r) *"Twisting:"* Any person who violates KRS 304.942 shall be fined not more than five hundred dollars for each offense.

(s) *Illegal taking of premiums*: Any person who violates KRS 304.943 shall be fined not more than one thousand dollars or confined in the penitentiary for not more than one year, or both.

(2) *General penalty*: Any person who violates any provision of this code, other than provisions for which specific penalties are provided in subsection (1) of this section, or who knowingly violates any proper order of the commissioner given pursuant to this code, shall be fined not less than twenty-five dollars nor more than seven hundred and fifty dollars, or confined in the county jail for not less than ten days nor more than thirty days, or both.

(3) The penalties provided in this section shall be in addition to any other penalty or forfeiture provided by this code as to any such violation.

15. Section 300.010 of the Kentucky Revised Statutes is hereby amended to read as follows:

CONSTRUCTION OF CHAPTER. (1) Except as otherwise provided, fraternal benefit societies shall be governed by this chapter, and shall be exempt from all provisions of the insurance laws of this state, not only in governmental relations with the state but for every other purpose, and no law shall apply to them unless they are expressly designated therein.

(2) Nothing contained in this chapter shall be construed to affect or apply to grand or subordinate lodges of Masons, Odd Fellows, Knights of Pythias exclusive of the insurance department of the Supreme Lodge Knights of Pythias, Junior Order United American Mechanics exclusive of the Beneficiary Degree or insurance branch of the National Council Junior Order United American Mechanics, or to similar orders, societies or associations now doing business in this state that provide benefits exclusively through local or subordinate lodges, or to orders, societies or associations that limit their admission to membership to any one hazardous occupation, nor to an association of local lodges of a society now doing business in this state that provides death benefits not exceeding three hundred dollars, nor to any contracts of reinsurance business on such plan in this state, nor to domestic societies that limit their membership to the employes of a particular city, designated firm, business house or corporation, nor to domestic lodges, orders or associations of a purely religious, charitable or benevolent description that do not provide for a death benefit of more than one hundred dollars or for a disability benefit of more than one hundred and fifty dollars to any one person in any one year.

(3) A fraternal benefit society shall be deemed to be operating on the lodge system when it has a supreme governing or legislative body, and subordinate lodges or branches by whatever name known, into which members are elected, initiated and admitted in accordance with its constitution, bylaws, regulations and prescribed ritualistic ceremonies, and the subordinate lodges are required by the bylaws of the society to hold regular or stated meetings at least once in each month.

(4) A fraternal benefit society shall be deemed to have a representative form of government when it provides in its constitution and bylaws for a supreme legislative or governing body, composed of representatives elected either by the members or by delegates elected, directly or indirectly, by the members, together with such other members as may be prescribed by its constitution and bylaws. The elective members shall constitute a majority in number and have not less than two-thirds of the votes, nor less than the votes required to amend its constitution and bylaws. The meetings of the supreme or governing body and the election of officers, representatives or delegates shall be held as often as once in four years. The members, officers, representatives or delegates shall not vote by proxy.

(5) As used in this chapter, unless the context requires otherwise:

(a) "Director" or "Commissioner" means the Commissioner of the Department of Insurance.

(b) "Fraternal benefit society" or "society" means any corporation, order or voluntary association without capital stock, organized and carried on solely for the mutual benefit of its members and their beneficiaries and not for profit, having a lodge system with ritualistic form of work and representative form of government, and which makes provision for the payment of benefits in accordance with KRS 300.120.

16. Section 300.020 of the Kentucky Revised Statutes is hereby amended to read as follows:

ORGANIZATION OF A DOMESTIC SOCIETY; ISSUE OF A PRELIMINARY CERTIFICATE OF COMPLIANCE. (1) Seven or more persons, citizens of the United States and a majority of them citizens of this state, who desire to form a fraternal benefit society may make and sign, giving their addresses, and acknowledge before some officer competent to take acknowledgment of deeds, articles of incorporation, in which shall be stated the following:

(a) The proposed corporate name of the society, which shall not so closely resemble the name of any society or insurance company already transacting business in this state as to mislead the public or to lead to confusion, or which would tend to mislead the public as to the type of organization involved.

(b) The purpose for which it is formed, which shall not include more liberal powers than are granted by this chapter. Any lawful, social, intellectual, educational, charitable, benevolent, moral or religious advantages may be set forth among the purposes of the society.

(c) The mode in which its corporate powers are to be exercised.

(d) The names, residences and official titles of all other officers, trustees, directors or other persons who are to exercise the general control and management of the affairs and funds of the society for the first year, or until the ensuing election at which all such officers shall be elected by the supreme legislative or governing body, which election

shall be held not later than one year from the date of the issuance of the permanent certificate.

(2) The articles of incorporation and duly certified copies of the constitution, bylaws, and rules and regulations, and copies of all proposed forms of benefit certificates, applications therefor, and circulars to be issued by the society, and a bond in the sum of twenty-five hundred dollars with sureties approved by the commissioner and conditioned upon the return of the advanced payments to applicants if the organization is not completed within one year, shall be filed with the commissioner who may require such further information as he deems necessary.

(3) If the purposes of the society conform to the requirements of this chapter, and all provisions of law have been complied with, the commissioner shall so certify and retain and record the articles of incorporation, and furnish the incorporators a preliminary certificate authorizing the society to solicit members as provided, unless the commissioner finds, after a hearing thereon, that any individual associated or to be associated in the direction or management of the society is an untrustworthy person.

17. Section 300.030 of the Kentucky Revised Statutes is hereby amended to read as follows:

COMPLETION OF ORGANIZATION UNDER A PRELIMINARY CERTIFICATE; REQUIREMENTS FOR DOING BUSINESS. (1) Upon receipt of the preliminary certificate from the commissioner a domestic society may solicit members to complete its organization. It shall collect from each applicant not less than one regular monthly payment, in accordance with its tables of rates as provided by its constitution and bylaws, and shall issue to each a receipt for the amount collected.

(2) The advanced payments shall, during the period of organization, be held in trust, and, if the organization is not completed within one year, returned to the applicants.

(3) No society shall incur any liability other than for the advanced payments, nor issue any benefit certificate, nor pay, allow nor offer or promise to pay or allow, to any person any death or disability benefit until the following requirements have been complied with:

(a) Actual bona fide applications for death benefit certificates providing coverage not less broad than coverage customarily pro-

vided by fraternal benefit societies, have been secured upon at least two hundred lives for at least one thousand dollars each, and all these applicants for death benefits have been regularly examined by legally qualified practicing physicians, and certificates of the examinations have been duly filed and approved by the chief medical examiner of the society.

(b) There have been established three subordinate lodges or branches into which the two hundred applicants have been initiated.

(c) There has been submitted to the commissioner, under oath of the president and secretary, or corresponding officers of the society, a list of the applicants, giving their names, addresses, date examined, date approved, date initiated, name and number of the subordinate branch of which each applicant is a member, amount of benefits to be granted, rate of stated periodical contributions, which shall be sufficient to provide for meeting the mortuary obligation contracted, when valued for death benefits upon the basis of the National Fraternal Congress Table of Mortality, as adopted by the national fraternal congress, August 23, 1899, or any higher standard at the option of the society, and for disability benefits by tables based upon reliable experience, and for combined death and permanent total disability benefits by tables based upon reliable experience, with an interest assumption not higher than four percent per annum.

(d) It has been shown to the commissioner, by the sworn statement of the treasurer or corresponding officer of the society, that at least two hundred applicants have each paid in cash at least one regular monthly payment as provided per one thousand dollars of indemnity to be effected, which payments in the aggregate shall amount to at least one thousand dollars, all of which shall be credited to the mortuary or disability fund on account of the applicants, and no part of which may be used for expenses.

18. Section 300.040 of the Kentucky Revised Statutes is hereby amended to read as follows:

FINAL CERTIFICATE OF COMPLIANCE TO A DOMESTIC SOCIETY; EXPIRATION OF PRELIMINARY CERTIFICATE AND CHARTER. (1) The commissioner may take such examination and require such further information of a domestic society completing organization as he deems advisable, and upon presentation of satisfactory evidence that the society has complied with

all the provisions of law, he shall issue to it a certificate to that effect. This certificate shall be prima facie evidence of the existence of the society at the date of the certificate. The commissioner shall cause a record of the certificate to be made, and a certified copy of this record may be given in evidence with the same effect as the original certificate. The commissioner shall refuse to issue such certificate if the society has not complied with the provisions of law, or if he finds, after a hearing thereon, that any individual associated or to be associated in the direction or management of the society is an untrustworthy person.

(2) No preliminary certificate shall be valid after one year from its date, or after a further period, not exceeding one year, as may be authorized by the commissioner, upon cause shown, unless the two hundred applicants required have been secured and the organization has been completed as provided. The articles of incorporation and all proceedings thereunder shall become null and void in one year from the date of the preliminary certificate, or at the expiration of the extended period, unless the society has completed its organization and commenced business as provided.

(3) When any domestic society has discontinued business for a period of one year, or has less than two hundred members, its charter shall become null and void.

19. Section 300.060 of the Kentucky Revised Statutes is hereby amended to read as follows:

ANNUAL LICENSE OF A DOMESTIC SOCIETY. (1) Each domestic society shall secure an annual license from the commissioner, and pay a fee of twenty dollars therefor. The authority to do business conferred by the annual license shall terminate on the succeeding July 1, but the license shall continue in force until a new license is issued or specifically refused.

(2) A duly certified copy of a license shall be prima facie evidence that the licensee is a fraternal benefit society.

20. Section 300.080 of the Kentucky Revised Statutes is hereby amended to read as follows:

ADMISSION OF A FOREIGN SOCIETY TO THIS STATE; REQUIREMENTS; COURT REVIEW OF COMMISSIONER'S REFUSAL TO ADMIT. (1) No foreign society shall transact any business in this state without a license from the commissioner. A

foreign society shall be entitled to a license to transact business within this state upon filing with the commissioner a duly certified copy of its charter or articles of association; a copy of its constitution and bylaws, certified by its secretary or corresponding officer; a power of attorney to the commissioner as provided; a statement of its business, under oath of its president and secretary, or corresponding officers, in the form required by the commissioner duly verified by an examination made by the supervising insurance official of its home state or other state, satisfactory to the commissioner; a certificate from the proper official in its home state or country that the society is legally organized; a copy of its contract, which must show that benefits are provided for by periodical or other payments by persons holding similar contracts. Upon the society paying a license fee of twenty dollars and furnishing the commissioner the foregoing and such other information as he may deem necessary to a proper exhibit of its business and plan of working, and upon showing that its assets are invested in accordance with the laws of the state or country where it is organized, the commissioner shall issue a license to the society to do business in this state until the first day of the succeeding July, provided, however, that the license shall continue in full force and effect until the new license is issued or specifically refused.

(2) Any foreign society desiring admission to this state shall have the qualifications required of domestic societies, and have its assets invested as required by the laws of the state or country where it was organized.

(3) When the commissioner refuses to license any society or revokes its authority to do business in this state, he shall reduce his ruling to writing, file it in his office, and, upon request, furnish a copy thereof, together with a statement of his reasons, to the officers of the society. The action of the commissioner shall be reviewable by proper proceedings in any court of competent jurisdiction within this state.

(4) Nothing contained in this section shall be construed to prevent any foreign society from continuing in good faith all contracts made in this state during the time the society was legally authorized to transact business herein.

21. Section 300.110 of the Kentucky Revised Statutes is hereby amended to read as follows:

QUALIFICATIONS FOR MEMBERSHIP. Any society may admit to beneficial membership any person who has been examined by a legally qualified physician, and whose examination has been supervised and approved in accordance with the laws of the society, or who has made declaration of insurability acceptable to the society; provided, that any beneficial member of a society who shall apply for additional benefits more than six months after becoming a beneficial member shall pass an additional medical examination, or make an additional declaration of insurability, as required by the society. Any person so admitted prior to attaining the full age of twenty-one years shall be bound by the terms of his or her application and certificate, and by all the laws, rules and regulations of the society, and shall be entitled to all the rights and privileges of membership therein, as fully and to the same extent as though he or she were not a minor at the time of applying for such beneficial membership. Nothing herein contained shall prevent such society from accepting general or social members, who shall have no voice or vote in the management of the insurance affairs of the society, nor from issuing juvenile certificates on the lives of children under the age of twenty-one years.

22. Section 300.120 of the Kentucky Revised Statutes is hereby amended to read as follows:

BENEFITS. Any fraternal benefit society authorized to do business in this state may provide for the payment of (a) death benefits in any form; (b) endowment benefits; (c) annuity benefits; (d) temporary or permanent disability benefits as a result of disease or accident; (e) hospital, medical or nursing benefits; and (f) monument or tombstone benefits to the memory of deceased members not exceeding in any case the sum of three hundred dollars. Any benefits authorized in this section, or combinations thereof, may be provided in the same or separate certificates.

Such society may grant loans, withdrawal equities, and such nonforfeiture options as its laws may permit, provided such grants shall in no case exceed in value the portion of the reserve to the credit of the certificate on which the same are made.

23. Section 300.140 of the Kentucky Revised Statutes is hereby amended to read as follows:

BENEFIT ON LIVES OF CHILDREN. (1) Any society may provide for benefits on the lives of children under twenty-one years

of age at time of application therefore, upon the application of some adult person, as its laws or rules may provide, which benefit shall be in accordance with the provisions of KRS 300.120 of this Chapter. A society may, at its option, organize and operate branches for such children. Membership and initiation in local lodges shall not be required of such children, nor shall they have a voice in the management of the society.

(2) The contributions to be made for death benefits under all juvenile certificates issued after December thirty-first, nineteen hundred fifty, shall be based upon the Standard Industrial Mortality Table or the American Experience Table of Mortality with Craig's or Buttolph's Extension thereof, or the American Men Ultimate Table of Mortality with Bowerman's Extension thereof, with an interest assumption of not more than three and one-half per cent per annum, or on any other standard now or hereafter authorized for use by domestic life insurers.

(3) Every society issuing such benefit certificates shall maintain on all such certificates not less than the reserve required by the standard of mortality and interest adopted by the society for computing contributions.

(4) Every society issuing such benefit certificates shall have the right to provide in its bylaws, rules or regulations, for payment on account of the society's expense or general fund, which payments may be mingled with general fund of the society. Such society shall have full power to provide for means of enforcing payment of contributions, designation of beneficiaries, and changing such designations, and in all other respects for the regulation, government and control of such certificates and all rights, obligations and liabilities incident thereto and connected therewith.

24. Section 300.150 of the Kentucky Revised Statutes is hereby repealed.

25. Section 300.160 of the Kentucky Revised Statutes is hereby amended to read as follows:

BENEFICIARIES. No beneficiary shall have or obtain any vested interest in the proceeds of any certificate until such certificate has become due and payable in conformity with the provisions of the membership contract. The insured member shall have the right at all times to change the beneficiary or beneficiaries in ac-

cordance with the constitution, bylaws, rules or regulations of the society. Every society may, by its constitution, bylaws, rules or regulations, limit the scope of beneficiaries.

26. Section 300.190 of the Kentucky Revised Statutes is hereby amended to read as follows:

FUNDS; MAINTENANCE AND USE. (1) A society may create, maintain, invest, disburse or apply an emergency, surplus or other similar fund in accordance with its bylaws. Unless otherwise provided in the contract, these funds shall be held, invested, and disbursed for the use and benefit of the society, and no member or beneficiary shall have or acquire individual rights therein or become entitled to any apportionment or the surrender of any part thereof, except as provided in KRS 300.120.

(2) The funds from which benefits are paid and the funds from which the expenses of the society are defrayed shall be derived from periodical or other payments by the members of the society and accretions to the funds. No society shall be incorporated or admitted to transact business in this state that does not provide for stated periodical contributions, sufficient to provide for meeting the mortuary obligations contracted, when valued upon the basis of the National Fraternal Congress Table of Mortality as adopted by the national fraternal congress, August 23, 1899, or any higher standard, with interest assumption not more than four percent per annum, nor write or accept members for temporary or permanent disability benefits except upon tables based upon reliable experience, with an interest assumption not higher than four percent per annum.

(3) Deferred payments or installments of claims shall be considered as fixed liabilities on the happening of the contingency upon which the payments or installments are thereafter to be paid. This liability shall be the present value of the future payments or installments upon the rate of interest and mortality assumed by the society for valuation, and every society shall maintain a fund sufficient to meet this liability, regardless of proposed future collections to meet the liabilities.

(4) Every provision of the bylaws of a society for payments by its members, in whatever form made, shall distinctly state the purpose of the payment and the proportion thereof that may be used for expenses. No part of the money collected for mortuary or

disability purposes or the net accretions therefrom shall be used for expenses.

27. Section 300.270 of the Kentucky Revised Statutes is hereby amended to read as follows:

ENJOINING DOMESTIC SOCIETY FROM DOING BUSINESS; APPOINTMENT OF RECEIVER; ACTION BY ATTORNEY-GENERAL. (1) When, after examination, the commissioner is satisfied that a domestic society has failed to comply with any provisions of this chapter, is exceeding its power, is not carrying out its contracts in good faith or is transacting business fraudulently, or, after an existence of one year or more, has a membership of less than two hundred, or shall determine to discontinue business, the commissioner may present the facts relating thereto to the Attorney-General.

(2) Upon the commissioner's request, the Attorney-General shall commence an action in quo warranto in a court of competent jurisdiction. The court shall thereupon notify the officers to the society of a hearing, and if it then appears that the society should be closed, it shall be enjoined from carrying on any further business, and some person shall be appointed receiver. The receiver shall proceed at once to take possession of the books, papers, moneys and other assets of the society, and shall forthwith, under the direction of the court, proceed to close the affairs of the society and to distribute its funds to those entitled thereto.

(3) Proceedings shall not be so commenced by the commissioner against the society until after notice has been duly served on the chief executive officers of the society, and a reasonable opportunity given to it, on a date to be named in the notice, to show cause why the proceedings should not be commenced.

(4) No application for injunction against or proceedings for the dissolution of or the appointment of a receiver for the society or branch thereof shall be entertained by any court in this state unless made by the commissioner, the Attorney-General representing him.

28. This act shall become effective on the first day of September, 1950.

2. The following sections of the Kentucky Revised Statutes are hereby repealed:

KRS 296.010	KRS 296.510	KRS 297.320	KRS 302.010
296.015	296.520	297.330	302.020
296.020	296.521	297.340	302.030
296.030	296.530	297.350	302.040
296.040	296.540	297.990	302.050
296.050	296.550		302.060
296.060	296.560		302.070
296.070	296.570	298.010	302.080
296.080	296.580	298.020	302.090
296.090	296.590	298.030	302.100
296.100	296.600	298.040	302.110
296.110	296.610	298.050	302.120
296.115	296.611	298.060	302.130
296.120	296.612	298.070	302.140
296.130	296.613	298.080	302.150
296.135	296.614	298.090	302.160
296.140	296.620	298.100	302.170
296.150	296.630	298.110	302.180
296.160	296.640	298.120	302.190
296.170	296.650	298.130	302.200
296.180	296.660	298.140	302.210
296.190	296.670	298.150	302.220
296.200	296.680	298.155	302.230
296.210	296.690	298.160	302.990
296.220	296.990	298.170	
296.230		298.180	
296.240		298.190	
296.250	297.010	298.200	
296.255	297.020	298.210	
296.260	297.030	298.220	
296.270	297.040	298.230	
296.280	297.050	298.310	
296.290	297.060	298.320	
296.300	297.070	298.330	

296.310	297.080	298.340
296.320	297.090	298.350
296.330	297.100	298.360
296.340	297.110	298.990
296.350	297.120	
296.360	297.130	
296.370	297.131	299.080
296.380	297.132	299.090
296.390	297.140	
296.400	297.150	
296.410	297.160	301.010
296.420	297.170	301.020
296.430	297.180	301.030
296.440	297.190	301.040
296.450	297.200	301.050
296.460	297.210	301.060
296.470	297.220	301.070
296.471	297.230	301.075
296.472	297.240	301.080
296.473	297.250	301.090
296.474	297.260	301.100
296.480	297.270	301.110
296.481	297.280	301.120
296.490	297.290	301.130
296.500	297.300	301.140
	297.310	

3. Section 299.010 of the Kentucky Revised Statutes is hereby amended to read as follows:

DEFINITIONS AND APPLICATION. (1) The provisions of this chapter do not apply to secret or fraternal societies, lodges, or councils that are under the supervision of a grand or supreme body and secure members through the lodge system exclusively, and pay no commissions and employ no agents except in the organization and supervision of the work of local subordinate lodges or councils, nor do they apply to companies, societies or associa-

tions organized under the authority and patronage of any church or religious denomination for the exclusive purpose of insuring the property of churches or religious denominations and the personal property of the pastors and ministers thereof against loss or damage by fire, lightning or storm.

(2) As used in this chapter, unless the context requires otherwise:

(a) "Director" or "Commissioner" means the Commissioner of the Department of Insurance.

(b) "Policy" means any policy, certificate of membership, or contract of insurance.

(3) "Company," as used in KRS 299.020 to 299.300 means any corporation, association or society transacting in this state a life or casualty insurance business, or both, upon the cooperative or assessment plan, as defined in KRS 299.020.

(4) "Company," as used in KRS 299.310 to 299.470 means any corporation organized under KRS 299.310 and 299.320 for the purpose of transacting, and any company heretofore organized under any similar law of this state or under the general corporation laws of this state that is transacting, the business of insurance against loss or damage of property by fire, wind or lightning, or by the explosion of natural or artificial gas, or hail, or explosion (except explosion by steam boilers or flywheels), or riot, or riot attending a strike, or aircraft, or smoke, or vehicles, upon the cooperative or assessment plan.

4. Section 299.030 of the Kentucky Revised Statutes is hereby amended to read as follows:

ORGANIZATION OF A DOMESTIC COMPANY. (1) Persons desiring to form an organization for the purpose of transacting the business of life or casualty insurance, or both, upon the assessment or cooperative plan, may associate together and effect an organization as prescribed in this section.

(2) Any number of persons not less than thirteen may associate to establish such an insurance company.

(3) In addition to the general requirements for all corporations, the articles of incorporation shall specify the class of insurance the company proposes to transact; and on what business plan or principle; the number and amount of agreements for insurance, if any; and such other facts as may be necessary to explain and

make manifest the object and purposes of the corporation. The words "insurance company" shall be a part of the title of every such corporation, and also the word "mutual".

(4) In addition to complying with the provisions of KRS 271.055, the incorporators shall file a certified copy of the article of incorporation in the office of the commissioner.

5. Section 299.210 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) An assessment or cooperative life insurance company, including such companies as are organized under the provisions of KRS Chapter 303, may be wholly reinsured in, and its assets to the extent required to establish adequate reserves transferred to, and its liabilities assumed by a mutual or stock insurer pursuant to an agreement of reinsurance approved by the Commissioner of Insurance after such hearing as the Commissioner may require, and approved by two-thirds of the members of such company who are present at a meeting of such members duly called for such purpose, and vote thereon.

(2) Any such reinsurance agreement shall determine the amount of surplus, if any, of such cooperative or assessment company and shall make adequate provision for paying to the members of such company their respective shares of such surplus determined in such manner as may be approved by the commissioner.

(3) If the transfer or reinsurance is approved, every policyholder of the company who files with its secretary, within ten days after the meeting, written notice of his preference to be transferred to some other company than that named in the contract, shall be accorded all the rights and privileges, if any, in aid of the transfer, that would have been accorded under the terms of the contract had he been transferred to the company named therein.

(4) No domestic company shall transfer its risks or any part thereof to, or reinsure its risks or any part thereof in, any insurance company of another state or country that is not at the time of the transfer or reinsurance authorized to do insurance business in this state.

6. Section 299.260 of the Kentucky Revised Statutes is hereby amended to read as follows:

TYPES OF INSURANCE THAT MAY BE WRITTEN BY A REORGANIZED COMPANY; SEPARATION OF PREMIUM AND

REPORTS. If the articles of incorporation of the reorganized company so specify, the company may write any sort of business permitted by law to life insurance companies on the mutual or stock plan, and may also write life, health and accident insurance on the industrial plan.

7. Chapter 299 of the Kentucky Revised Statutes is hereby amended by adding thereto a new section to read as follows:

FEES OF THE DEPARTMENT OF INSURANCE: The commissioner shall collect and pay into the State Treasury the following fees relative to assessment or cooperative life or casualty insurance companies:

(1) For filing a copy of articles of incorporation of the company
.....\$10.00

(2) For filing annual statement of the company.....\$10.00
No other charges than those provided in this section shall be made against assessment or cooperative life or casualty insurance companies by the Department of Insurance unless agreed to by the respective companies.

8. Chapter 299 of the Kentucky Revised Statutes is hereby amended by adding thereto a new section to be designated as KRS 299.480, and to read as follows:

ORGANIZATION OF A REINSURANCE COMPANY BY MUTUAL OR ASSESSMENT AND COOPERATIVE FIRE INSURANCE COMPANIES. Three or more domestic mutual or cooperative and assessment fire insurance companies may organize a reinsurance company to reinsure their risks by certifying to the commissioner their intention and filing with him certificates properly acknowledged showing the vote of the directors of the companies authorizing them to become members of the reinsurance company. The name of the reinsurance company shall be contained in the certificate to the commissioner and shall be approved by him. Such reinsurance company shall be a distinct corporation.

9. Chapter 299 of the Kentucky Revised Statutes is hereby amended by adding thereto a new section to be designated as KRS 299.481, and to read as follows:

ADMISSION AND WITHDRAWAL OF MEMBER COMPANIES. (1) Any domestic mutual or assessment and cooperative fire insurance company may, with the consent of the directors of the reinsurance company, become a member thereof by filing with the commissioner a certificate of its intention and a certificate showing the vote of its directors authorizing it to become a member of the reinsurance company.

(2) Any member company may, by paying its proportion of the liabilities of the reinsurance company then existing, withdraw its membership from a reinsurance company. The member company shall certify to the commissioner its intention to withdraw its membership, and give written notice to the secretary of the reinsurance company of its intention to withdraw thirty days in advance. Upon withdrawal of any member company the reinsurance company shall at once cancel all policies of insurance held by and through the company withdrawing.

10. Chapter 299 of the Kentucky Revised Statutes is hereby amended by adding thereto a new section to be designated as KRS 299.482, and to read as follows:

ISSUANCE OF POLICIES; RATES; DIRECTORS; LIABILITY OF MEMBER COMPANIES; LIMITATION OF RISKS. (1) Reinsurance companies formed under KRS 299.480 may issue policies of reinsurance to and through its member companies only, on their risks, and upon the terms and rates provided for by its bylaws. Such reinsurance companies shall have not less than five directors, and one director shall be chosen from the officers of each member company.

(2) The member companies shall be liable for the indebtedness of such reinsurance company, if its losses and expenses at any time exceed its income and assets, in the proportion of liability fixed

by the bylaws of the reinsurance company. Such reinsurance company shall not issue policies on one risk for a greater amount than a sum equal to three cents for each one hundred dollars insurance in force in its combined member companies.

11. Chapter 299 of the Kentucky Revised Statutes is hereby amended by adding thereto a new section to be designated as KRS 299.483, and to read as follows:

REINSURANCE OF RISKS BY MUTUAL OR ASSESSMENT AND COOPERATIVE FIRE INSURANCE COMPANIES. (1) Any domestic mutual fire insurance company, or any domestic cooperative and assessment fire insurance company, without amending its charter or articles of incorporation, may by policy, treaty or other agreement, cede to or accept from any other insurance company or insurer insurance or reinsurance upon the whole or any part of any risk provided such other insurance companies or insurers shall at all times maintain the full standards of solvency required under laws of this state of like insurance companies or insurers.

(2) KRS 299.483 to 299.486 shall not empower any such mutual fire insurance company or any such cooperative and assessment fire insurance company to assume or carry insurance or reinsurance on any risk or class of risks prohibited in its charter, articles of incorporation or bylaws.

12. Chapter 299 of the Kentucky Revised Statutes is hereby amended by adding thereto a new section to be designated as KRS 299.484, and to read as follows:

FILING OF COPIES OF REINSURANCE CONTRACTS WITH THE COMMISSIONER; INSPECTION. (1) Complete copies of treaties and contracts for reinsurance, excluding policies for reinsurance, shall be filed with and approved by the commissioner.

(2) These copies of treaties of reinsurance shall be open at all times for inspection in the Department of Insurance, on application of any citizen of this state asking the name of the reinsuring company and the Department of Insurance on application shall furnish the name of the reinsuring company.

13. Chapter 299 of the Kentucky Revised Statutes is hereby amended by adding thereto a new section to be designated as KRS 299.486, and to read as follows:

ANNUAL REPORT ON PREMIUMS: TAX ON PREMIUMS PAID TO UNAUTHORIZED COMPANIES. All domestic mutual fire insurance companies referred to in KRS 299.470 or cooperative and assessment fire insurance companies shall, on December 31 of each year, file in the office of the commissioner a report showing the amount of premiums contracted for by them in a reinsurance company, and shall pay to the state a tax of two dollars on each one hundred dollars of the premiums paid to any company not authorized to do business in this state.

14. Chapter 299 of the Kentucky Revised Statutes is hereby amended by adding thereto a new section to read as follows:

FEES TO THE DEPARTMENT OF INSURANCE: The commissioner shall collect and pay into the State Treasury the following fees relative to assessment or cooperative fire insurance companies:

- (1) For filing a copy of articles of incorporation of the company\$10.00
- (2) For filing annual statement of the company..... 10.00
- (3) For filing papers and keeping records on change of territory 5.00

No other charges than those provided in this section shall be made against assessment or cooperative fire insurance companies by the Department of Insurance unless agreed to by the respective companies.

Said Committee amendments to said bill are as follows, viz:

Committee Amendment No. 1. Page 3, section 1, KRS 304.013 (1) (b), line 9

Immediately following the word "fraternal" strike the word "benefits" and substitute in lieu thereof "benefit."

Committee Amendment No. 2. Page 6, section 1, KRS 304.023 (1), line 2

Immediately following the word “court” strike the word “or” and substitute in lieu thereof the word “of”.

Committee Amendment No. 3. Page 13, section 1, 304.046, (5), line 23

Immediately following the word “request” strike the word “reasonable” and substitute in lieu thereof “seasonably”.

Committee Amendment No. 4. Page 14, section 1, KRS 304.052 (1), Line 1

Strike the word “The” which appears in the printed bill as “the” and insert in lieu thereof the word “The”.

Committee Amendment No. 5. Page 15, section 1, KRS 304.052 (1), line 16

Strike the word “a” and substitute in lieu thereof the word “an”.

Committee Amendment No. 6. Page 15, section 1, KRS 304.061 (1), line 2

Delete the words “State” defined.

Committee Amendment No. 7. Page 20, section 1, KRS 304.077, line 1

Immediately following the word “requirement” insert the punctuation mark “,”.

Committee Amendment No. 8. Page 21, section 1, KRS 304.078, line 12

Strike the word “domestic” which appears in the original bill as “domesitc” and substitute in lieu thereof the word “domestic”.

Committee Amendment No. 9. Page 26, section 1, KRS 304.095 (1), line 5

Strike the word “then” which appears in the original bill as “than” and substitute in lieu thereof the word “then”.

Committee Amendment No. 10. Page 27, section 1, KRS 304.097 (1), line 17

Strike the word "forthwith" which appears in the original bill as "forwith" and substitute in lieu thereof the word "forthwith".

Committee Amendment No. 11. Page 36, section 1, KRS 304.138 (3), line 13

Strike the word "made" which appears in the original bill as "make" and substitute in lieu thereof the word "made".

Committee Amendment No. 12. Page 37, section 1, KRS 304.142, lines 1 through 11

Strike all of 304.142, lines 1 through 11.

Committee Amendment No. 13. Page 37, section 1, KRS 304.144 (1), line 1

Strike the word "mutualization" which appears in the original bill as "mutulization" and substitute in lieu thereof the word "mutualization".

Committee Amendment No. 14. Page 39, section 1, KRS 304.154 (3), line 22

Immediately following the word "with" insert the word "the".

Committee Amendment No. 15. Page 46, section 1, KRS 304.171 (2), lines 6 and 7

Strike all of lines 6 and 7 and substitute in lieu thereof the following:

"(2) Any governmental agency, public or private corporation, firm, board, association, estate, trustee, fiduciary or persons, in this state or elsewhere, ".

Committee Amendment No. 16. Page 48, section 1, KRS 304.174 (3), line 14

Immediately following the word "in" strike the abbreviation and punctuation mark "No." and substitute in lieu thereof the word "Section".

Committee Amendment No. 17. Page 69, section 1, KRS 304.344 (1), line 3

Immediately following the word "kind" and immediately preceding the word "interest" strike the word "and" which appears in the original bill as "and and" and substitute in lieu thereof the word "and".

Committee Amendment No. 18. Page 70, section 1, KRS 304.344 (2) (e), line 42

Immediately following the word "craft", strike the word "air" and substitute in lieu thereof the word "air-"

Committee Amendment No. 19. Page 70, section 1, KRS 304.344 (2) (e), line 45

Strike the word "moneys" and substitute in lieu thereof the word "monies".

Committee Amendment No. 20. Page 71, section 1, KRS 304.344 (2) (e), line 64

Strike the word "tornado" which appears in the original bill as "torando" and substitute in lieu thereof the word "tornado".

Committee Amendment No. 21. Page 71, section 1, KRS 304.344 (2) (e), line 65

Immediately following the word "sprinkler" strike the word "leakage" which appears in the original bill as "leadage" and substitute in lieu thereof "leakage".

Committee Amendment No. 22. Page 73, section 1, KRS 304.348 (3), line 17

Strike the word "moneys" and substitute in lieu thereof the word "monies".

Committee Amendment No. 23. Page 73, section 1, KRS 304.348 (6), line 28

Immediately following the word "boiler" strike the word "Explosion" and substitute in lieu thereof the word "Insurance".

Committee Amendment No. 24. Page 73, section 1, KRS 304.348 (6), lines 31 and 32,

Immediately following the word "upon" strike the word "elevators".

Committee Amendment No. 25. Page 74, section 1, KRS 304.348 (9), line 43

Immediately following the word "fire" insert the words ", and to make inspection of and issue certificates of inspection upon, elevators."

Committee Amendment No. 26. Page 77, section 1, KRS 304.365, line 3

Strike the word "exclusively" which appears in the original bill as "exculsively" and substitute in lieu thereof the word "exclusively".

Committee Amendment No. 27. Page 88, section 1, KRS 304.381, line 1

Immediately following the word "EXPENSE" insert the word "PAYMENTS".

Committee Amendment No. 28. Page 91, section 1, KRS 304.383, (3) (a) (i), line 52

Strike the word "Commissioners" which is written in the original bill as "commissioners" and substitute in lieu thereof the word "Commissioner".

Committee Amendment No. 29. Page 98, section 1, KRS 304.401 (4), line 11

Strike the abbreviation "31st." which appears in the original bill as "31st." and substitute in lieu thereof the abbreviation "31st".

Committee Amendment No. 30. Page 98, section 1, KRS 304.403 (1), line 9

Strike the word "not" and insert in lieu thereof "nor".

Committee Amendment No. 31. Page 106, section 1, KRS 304.424 (2), line 11

Immediately following the word "Associations" strike the word "who" and substitute in lieu thereof the word "which".

Committee Amendment No. 32. Page 110, section 1, KRS 304.433, line 9

Immediately following the word “against” strike the word “an” and substitute in lieu thereof the word “any”.

Committee Amendment No. 33. Page 113, section 1, KRS 304.446, line 5

Immediately following the word “such” strike the word “director” and substitute in lieu thereof the word “member”.

Committee Amendment No. 34. Page 114, section 1, KRS 304.448, line 5

Immediately following the word “insurer,” strike the word “not” and substitute in lieu thereof the word “nor”.

Committee Amendment No. 35. Page 119, section 1, KRS 304.476 subsection (3), line 12

Immediately following the word “such” strike the word “provisions” and substitute the word “provision”.

Committee Amendment No. 36. Page 130, section 1, KRS 304.518 subsection (2) (b), lines 25 through 28

Strike all of lines 25 through 28 and substitute in lieu thereof the following:

“(b) The life, person, property, casualty risks, surety risks, or title risks of his employer, or his firm, or of any officer or member of his employer or firm, other than members of mutual insurers, or any spouse of such employer, officer, or member;”.

Committee Amendment No. 37. Page 131, section 1, KRS 304.519 subsection (2) (c), line 17

Immediately following the word “applicant” strike the word “reasonable” and substitute in lieu thereof “reasonably”.

Committee Amendment No. 38. Page 135, section 1, KRS 304.525, line 13

Strike the figures “304.577” and substitute in lieu thereof the figures “304.557”.

Committee Amendment No. 39. Page 136, section 1, KRS 304.526, lines 1 and 2

Strike lines 1 and 2 and substitute in lieu thereof the following:

“304.526 FIRMS AND CORPORATIONS AS AGENTS: A partnership or corporation may hold agency contracts, but the members of”

Committee Amendment No. 40. Page 137, section 1, KRS 304.536, line 1

Immediately following the word “license” and immediately preceding the word “custody” insert the punctuation mark “—”.

Committee Amendment No. 41. Page 141, section 1, KRS 304.548, subsection (2), line 13

Strike the word “cancelled which appears in the original bill as “concelled” and substitute in lieu thereof the word “cancelled”.

Committee Amendment No. 42. Page 141, section 1, KRS 304.549 (1), line 6

Strike the word “adjusters” and substitute in lieu thereof the word “adjuster”.

Committee Amendment No. 43. Page 155, section 1, KRS 304.571 (1), line 3

Immediately following the abbreviation “1st.” strike the punctuation mark “.”.

Committee Amendment No. 44. Page 157, section 1, KRS 304.574 (1) (a), line 6

Strike the word “wilfully” and substitute in lieu thereof the word “willfully”.

Committee Amendment No. 45. Page 159, section 1, KRS 304.581 (2), line 10

Immediately preceding the word “insurance” strike the word “of” which appears in the original bill as “or” and substitute thereof the word “of”.

Committee Amendment No. 46. Page 160, section 1, KRS 304.583 (1), line 2

Strike the word "solicitation" which appears in the original bill as "soliciation" and substitute in lieu thereof the word "solicitation".

Committee Amendment No. 47. Page 142, section 1, KRS 304.549 (1), line 10, immediately following the word "prohibit" strike the word "th" and substitute the word "the".

Committee Amendment No. 48. Page 160, section 1, KRS 304.583, line 2, immediately following the word "contract" insert the words ", by mail or otherwise,".

Committee Amendment No. 49. Page 160, section 1, KRS 304.583 (2), line 15, immediately following the word "the" strike the word "postoffice" and substitute in lieu thereof "post office".

Committee Amendment No. 50. Page 166, section 1, KRS 304.592, lines 1, 2 and 3 (the second time they appear) strike all of lines 1, 2 and 3 and substitute in lieu thereof the following:

"304.593 BROKER'S ANNUAL REPORT AND TAX: (1) Each such broker shall file with the commissioner, in July of each year, a sworn statement of the gross premiums paid for insurance procured."

Committee Amendment No. 51. Page 169, section 1, KRS 304.598, lines 11 to 13 inclusive, transpose these lines to follow immediately after line 10, in KRS 304.597.

Committee Amendment No. 52. Page 169, section 1, KRS 304.600, line 2, strike the word "artcle" immediately preceding the word "is" and substitute in lieu thereof the word "article".

Committee Amendment No. 53. Page 172, section 1, KRS 304.602 (1) (c), line 21, immediately following the word "such", strike the word "experience" which appears in the original bill as "experance" and substitute in lieu thereof "experience".

Committee Amendment No. 54. Page 172, section 1, KRS 304.603, line 3, immediately following the word "rating" strike the word "orgination" and substitute in lieu thereof "ORGANIZATION".

Committee Amendment No. 55. Page 172, section 1, KRS 304.603, line 4, immediately following the word "EFFECTIVE:" insert the words "SPECIAL FILINGS: PERMISSION FOR EXCESS RATE;".

Committee Amendment No. 56. Page 173, section 1, KRS 304.603, subsection 1, line 21, strike the word "many" and substitute in lieu thereof the word "any".

Committee Amendment No. 57. Page 180, section 1, KRS 304.605, subsection 5, line 87, strike the word "organiaztion" and substitute in lieu thereof "organization".

Committee Amendment No. 58. Page 188, section 1, KRS 304.625, line 4, immediately preceding the word "inclusive" strike the figures "394.647" and substitute in lieu thereof the figures "394.644".

Committee Amendment No. 59. Page 188, section 1, KRS 304.625, lines 7, 8 and 10

Transpose the words "on risks or operations in this state" from lines 7 and 8 to line 10, immediately preceding the word "except".

Committee Amendment No. 60. Page 195, section 1, KRS 304.630, line 2

Immediately following the word "or" strike the word "revocation" which appears in the original bill as "revocztion" and substitute in lieu thereof the word "REVOCATION".

Committee Amendment No. 61. Page 199, section 1, KRS 304.633, line 16, begin subsection (2) on a new line.

Committee Amendment No. 62. Page 200, section 1, KRS 304.636 (2), line 9

Immediately after the word "its" strike the word "constitution" which appears in the original bill as "constituion" and substitute in lieu thereof "constitution".

Committee Amendment No. 63. Page 201, section 1, KRS 304.637 (1), line 7, strike the figures "304.932, 304.018".

Committee Amendment No. 64. Page 202, section 1, KRS 304.637 (1), line 8, strike the figures "394.959 and".

Committee Amendment No. 65. Page 206, section 1, KRS 304.642, line 1, strike the figures “394.642” and substitute “304.643”.

Committee Amendment No. 66. Page 208, section 1, KRS 304.650, line 13, immediately following the word “individual” strike the word “iinsured” and substitute in lieu thereof the word “insured”.

Committee Amendment No. 67. Page 210, section 1, KRS 304.655 (1), line 8

Immediately following the word “insurance” strike the word “policies” which appears in the original bill as “policiiis” and substitute in lieu thereof “policies”.

Committee Amendment No. 68. Page 211, section 1. KRS 304.655, subsection 2, line 12

Immediately following the word “reinstatement” strike the word “of” and substitute in lieu thereof the word “or”.

Committee Amendment No. 69. Page 215, section 1, KRS 304.666, line 1

Immediately following the word “Premium” insert the word “TO”.

Committee Amendment No. 70. Page 219, section 1, KRS 304.684, line 3

Immediately following the word “accident” strike the word “or” and substitute in lieu thereof the word “of”.

Committee Amendment No. 71. Page 227, section 1, KRS 304.709 (1) (f), line 21

Immediately following the word “an” strike the word “amount”.

Committee Amendment No. 72. Page 228, section 1, KRS 304.713, line 4

Immediately after the word “properly” strike the word “designate” which appears in the original bill as “disignate” and substitute in lieu thereof the word “designate”.

Committee Amendment No. 73. Page 229, section 1, KRS 304.714 (B) 1, line 23

Immediately following the word "classification" strike the word "or" and substitute in lieu thereof the word "of".

Committee Amendment No. 74. Page 234, section 1, KRS 304.721, line 1

Strike the abbreviation "NO." which appears in the original bill as "NO" and substitute in lieu thereof "NO."

Committee Amendment No. 75. Page 243, section 1, KRS 304.740, line 14

Immediately following the word "reason" strike the word "by" and substitute in lieu thereof the word "of".

Committee Amendment No. 76. Page 243, Section 1, KRS 304.741, subsection (2), line 19

Strike the word "insurer" and substitute in lieu thereof the word "insured".

Committee Amendment No. 77. Page 245, section 1, KRS 304.744, line 1,

Strike the word "TRANSPORTATION" and substitute in lieu thereof the word "TRAVEL".

Committee Amendment No. 78. Page 245, section 1, KRS 304.744, line 2

Strike the word "transportation" and substitute in lieu thereof the word "travel".

Committee Amendment No. 79. Page 246, section 1, KRS 304.746 (3), line 19, (as it appears second time) immediately following the word "do" strike the word "no" and substitute in lieu thereof the word "not".

Committee Amendment No. 80. Page 247, section 1, KRS 304.746 (3), line 24

Immediately following the word "insuring," strike the word "risks," and substitute in lieu thereof the words "risk and".

Committee Amendment No. 81. Page 256, section 1, KRS 304.793 (1), line 8

Strike the figures “(f-7/10%)” and substitute in lieu thereof “(5.7%).”

Committee Amendment No. 82. Page 274, section 1, KRS 304.841 (2), line 19

Strike the word “indentifiable” and substitute the word “identifiable” in lieu thereof.

Committee Amendment No. 83. Page 275, section 1, KRS 304.841 (2), line 25

Strike the word “indentifiable” and substitute in lieu thereof “identifiable”.

Committee Amendment No. 84. Page 275, section 1, KRS 304.841, lines 28 through 41

Strike the lines 28 through 41 and substitute in lieu thereof the following:

“(3) The amount of insurance on the life of any debtor shall at no time exceed the amount owed by him which is repayable in installments to the creditor.

(4) The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment.”

Committee Amendment No. 85. Page 293, section 1, KRS 304.907, line 1

Immediately following the word “POLICY” strike the word “LAY” and substitute in lieu thereof the word “LAW”.

Committee Amendment No. 86. Page 302, section 1, KRS 304.932, (3), line 28

Immediately following the word “any” strike the word “vaulable” and insert in lieu thereof the word “valuable”.

Committee Amendment No. 87. Page 313, section 1, KRS 304.960 (8), line 38

Immediately following the word "all" and immediately preceding the word "and" strike the word "policyholders" which appears in the original bill as "policholders" and substitute in lieu thereof "policyholders".

Committee Amendment No. 88. Page 315, section 1, KRS 304.961, line 22

Immediately following the word "impart", strike the word "th" and substitute in lieu thereof the word "the".

Committee Amendment No. 89. Page 317, section 1, KRS 304.964 (1), line 2

Strike the word "proceedings" and substitute in lieu thereof the word "proceeding".

Committee Amendment No. 90. Page 324, section 1, KRS 304.977 (3), line 18

Strike the word "holders" and insert the word "holder" in lieu thereof.

Committee Amendment No. 91. Page 334, section 15, line 22

Immediately following the word "the" strike the word "employes" and substitute the word "employees".

Committee Amendment No. 92. Page 335, section 15, line 47

Immediately following the word "this" strike the word "chapter" which appears in the original bill as "chaper", and in lieu thereof substitute the word "chapter".

Committee Amendment No. 93. Page 335, section 16, line 12

Immediately following the word "already" strike the word "transacting" which appears in the original bill as "transacing" and substitute in lieu thereof "transacting"

Committee Amendment No. 94. Page 343, section 23, line 5

Immediately following the word "application" strike the word "therefore" and substitute in lieu thereof the word "therefor".

Committee Amendment No. 95. Page 349, section 3, line 11

Strike the word "denomination" which appears in the original bill as "demonration" and insert in lieu thereof the word "denomination".

Committee Amendment No. 96. Page 349, section 3, line 12

Strike the word "denominations" which appears in the original bill as "demoninations" and substitute the word "denominations" in lieu thereof.

Committee Amendment No. 97. Page 350, section 3, line 30

Immediately following the word "damage" strike the word "of" and substitute in lieu thereof the word "to".

Committee Amendment No. 98. Page 351, section 4, line 19

Strike the word "article" and substitute in lieu thereof the word "articles".

Committee Amendment No. 99. Amend Section 7, appearing at page 352, by deleting lines one and two thereof and inserting in lieu thereof the following: "A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.215, and to read as follows:".

Committee Amendment No. 100. Amend Section 8, appearing at page 353, by deleting lines one, two and three thereof and inserting in lieu thereof the following: "A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.480, and to read as follows:".

Committee Amendment No. 101. Amend Section 9, appearing at page 353, by deleting lines one, two and three thereof and inserting in lieu thereof the following: "A new section of

the Kentucky Revised Statutes is hereby enacted to be designated 299.481, and to read as follows:"

Committee Amendment No. 102. Amend Section 10, appearing at page 354, by deleting lines one, two and three thereof and inserting in lieu thereof the following: "A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.482, and to read as follows:"

Committee Amendment No. 103. Amend Section 11, appearing at page 355, by deleting lines one, two and three thereof and inserting in lieu thereof the following: "A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.483, and to read as follows:"

Committee Amendment No. 104. Amend Section 12, appearing at page 355, by deleting lines one, two and three thereof and inserting in lieu thereof the following: "A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.484, and to read as follows:"

Committee Amendment No. 105. Amend Section 13, appearing at page 356, by deleting lines one, two and three thereof, and inserting in lieu thereof the following: "A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.486, and to read as follows:"

Committee Amendment No. 106. Amend Section 14, appearing at page 356, by deleting lines one and two thereof, and inserting in lieu thereof the following: "A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.490, and to read as follows:

Committee Amendment No. 107. Page 347 through page 357, sections 2 through 14,

Remove sections 2 through 14 from their present position in the Bill and insert same immediately following Section 1, KRS 304.990, subsection (3) line 93 on page 333, and immediately preceding Section 15, line 1, on page 333.

Committee Amendment No. 108. Page 357, section 14, KRS 299.350

Immediately following line 14 of Section 14, adding the following section:

“29. Section 299.350 of the Kentucky Revised Statutes is amended to read as follows:

ANNUAL MEETING: BYLAWS: BOOKS. (1) The regular meeting of the company shall be held as prescribed in the bylaws, and if not otherwise provided for shall be held on the second Tuesday of January each year. At this meeting each person insured shall have one vote, and those have two thousand dollars insurance two votes, and an additional vote for each additional one thousand dollars insurance, or each policyholder shall be entitled to only one vote where the bylaws so provide. Voting may be by proxy under the rules and regulations prescribed by bylaws, unless prohibited by the bylaws.

(2) Every company may make and enforce bylaws not inconsistent with the laws of this state or of the United States, by a two-thirds vote of the directors at any meeting. Any amendment may be made to the bylaws if presented to the president thirty days before any meeting.

(3) The directors shall procure proper books in which the secretary shall keep a record of all transactions of the company and of the board of directors. The books shall show at all times the condition, affairs and business of the company, and shall be open for the inspection of members of the company on any day from 9 a.m. until 4 p.m., Sundays and legal holidays excepted.

Amendment to Title.

Amend the title thereto by deleting the last two lines thereof and inserting in lieu thereof the following: “through 302.990; amending KRS 299.010, 299.030, 299.260; amending KRS Chapter 300; regulating reinsurance by assessment and cooperative companies, and providing for the creation of reinsurance companies by domestic mutual or assessment and cooperative companies; providing for fees to be paid to the Department of Insurance by assessment and cooperative companies; and declaring that this act shall become effective on September 1, 1950”.

Said Committee amendments to said bill were each and severally agreed to.

Mr. Durham W. Howard moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	J. D. Buckman, Jr.	William K. Henry
Bill Adams	Charles W. Burnley	E. R. Hilton
Edgar Arnett	Alex Calvert	Ray Holbrook
Sidney Baer	Paul Combs	Woodrow W. Hollan
Walter J. Bailey	R. Josh Cosby	W. M. Horn
Clarence J. Barnum	B. H. Crider	Richard R. Houpt
C. E. Baumgardner	Owen Deering	Durham W. Howard
John D. Beatty	R. C. Estepp, Sr.	Barkley Jones
Fred Beshear	Henry C. Hale	William Jones
L. E. Bradley	C. A. Hammons	James W. Lambert
Edward O. Bridgers	James P. Hanratty	Jesse H. Lawrence
Thomas L. Britton	Paul E. Hayes	Mrs. J. T. Linton
Charles J. Bronston	John A. Head	Homer E. Losey

A. L. (Chick) Love	Leonard W. Preston	Roy Steers
Harry K. Lowman	Hobart Rayburn	Raymond D. Stigall
Damon Majors	W. R. Reasor	Mrs. Thelma Stovall
William T. Marshall	Carl J. Ruh	W. R. Stringer
G. Lee McClain	Amos Runyan	Egbert V. Taylor
Jack McPherron	Dr. Roy Sanders	M. G. Thompson
Alton Mitchell	Roy Searcy	Rev. T. H. Tinsley
Emmett G. Moore	Paul E. Shannon	Fred M. Warns
Walter R. Moorman	Gus Sheehan, Jr.	Harry Lee Waterfield
C. S. Nabb	Jesse H. Shelton	Lyle H. Webb
Dr. C. E. Palmore	Joseph T. Snapp	G. F. Williamson
James H. Polsgrove	John M. Spaulding	—72

Mr. Hanratty moved that the House do now concur in said Committee amendment to the title of said bill.

Said motion was agreed to.

Resolved that the title thereof be as amended.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 224. AN ACT relating to the power of arrest of a peace officer.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 36 of the Criminal Code of Practice is hereby amended to read as follows:

A peace officer may make an arrest—

(1) In obedience to a warrant of arrest delivered to him.

(2) Without a warrant, when a public offense is committed in his presence, or when he has reasonable grounds for believing that the person arrested has committed a felony, or when he has received information by police radio, police bulletin, telephone, telegraph or otherwise from another peace officer of this State that a warrant for such arrest has been issued and is in possession of the peace officer from whom the information emanates.

(3) Officer may go out of county to arrest; when. That such peace officer with a warrant of arrest may cross a county line and proceed as far as two miles therefrom for the purpose of making the arrest in the adjoining county or counties; provided, that such peace officer, when in actual pursuit of an offender, may go so far as may be necessary for the purpose of making such arrest.

Mr. Williamson moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	C. S. Nabb
Bill Adams	Paul E. Hayes	Dr. C. E. Palmore
Edgar Arnett	John A. Head	James H. Polsgrove
Sidney Baer	William K. Henry	Leonard W. Preston
Walter J. Bailey	E. R. Hilton	Hobart Rayburn
Clarence J. Barnum	Ray Holbrook	W. R. Reasor
C. E. Baumgardner	Woodrow W. Hollan	Paul E. Shannon
John D. Beatty	W. M. Horn	Gus Sheehan, Jr.
Fred Beshear	Richard R. Hought	Jesse H. Shelton
L. E. Bradley	Durham W. Howard	Forest Smith
Edward O. Bridgers	Maurice G. Howard	John M. Spaulding
Thomas L. Britton	Paul S. Jonas	Roy Steers
Charles J. Bronston	Barkley Jones	Raymond D. Stigall
Charles W. Burnley	William Jones	Mrs. Thelma Stovall
Alex Calvert	Jesse H. Lawrence	W. R. Stringer
Stanley Carter	Mrs. J. T. Linton	Egbert V. Taylor
R. Josh Cosby	Harry K. Lowman	Rev. T. H. Tinsley
B. H. Crider	Damon Majors	Fred M. Warns
Owen Deering	Jack McPherron	Harry Lee Waterfield
Thomas R. Duncan	Alton Mitchell	Lyle H. Webb
R. C. Estep, Sr.	Emmett G. Moore	G. F. Williamson
Henry C. Hale	Walter R. Moorman	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

S. B. No. 46. AN ACT relating to Judicial Districts; creating an additional district and making changes in the apportionment of counties to the Twenty-Eighth and Twenty-Ninth Judicial Districts in order to comply with the meaning and intent of the Constitution with respect to the division of the State into Judicial Districts; providing for continuation in office of the

present Circuit Judges and Commonwealth's Attorneys and creating the offices of Circuit Judge and Commonwealth's Attorney for the new district established by this Act; and providing for the holding of Court in each district affected by this Act.

With Committee amendment thereto by way of substitute therefor.

Said bill is as follows, viz:

WHEREAS, the General Assembly has given due regard to the elements of territory, business and population involved in the division of the State into judicial districts; and

WHEREAS, with such due regard, the General Assembly has found the following facts to exist:

1. That the entire population of the State as of the last preceding Federal census, is 2,845,627.

2. That upon the basis of such population, additional judicial districts may be established to those now existing, pursuant to Sections 128, 132, and 138 of the Constitution.

3. That it will be convenient and advantageous from the standpoint of territory, and will comply with the spirit and intent of the Constitution with respect to population and expedite the business of the courts in the counties involved, to create a new judicial district to consist of the Counties of Clinton, Russell and Wayne, and to change the Twenty-eighth and Twenty-ninth Judicial Districts so they will consist of the following counties:

Twenty-eighth District—Pulaski and Rockcastle.

Twenty-ninth District—Adair, Casey, Cumberland and Monroe.

NOW, THEREFORE:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Twenty-Eighth and Twenty-Ninth Judicial Districts shall hereafter be composed of the following counties:

Twenty-Eighth District—Pulaski and Rockcastle.

Twenty-Ninth District—Adair, Casey, Cumberland and Monroe.

Sec. 2. A new judicial district is established to be numbered the Fortieth Judicial District and to consist of the Counties of Clinton, Russell and Wayne.

Sec. 3. The present circuit judges and Commonwealth's Attorneys for the Twenty-Eighth and Twenty-Ninth Judicial Districts, as now constituted, shall retain their respective offices, for the terms for which they were elected, for the said districts as they have been changed under this Act.

Sec. 4. The offices of circuit judge and Commonwealth's Attorney for the new judicial district established by this Act, being the Fortieth Judicial District, are hereby created. Until the regular election for circuit judge and Commonwealth's Attorney in 1951, said offices shall be filled as provided in Section 152 of the Constitution for offices in which there is a vacancy.

Sec. 5. The regular term of each court in the judicial district dealt with by this Act shall commence in each county at the following named times, and continue, if the business requires it, the number of days hereinafter prescribed:

Twenty-Eighth District. Pulaski County, at Somerset, on the second Monday in January, thirty-six (36) juridical days; on the second Monday in April, forty-eight (48) juridical days; on the third Monday in July, twenty-four (24) juridical days; and on the third Monday in October, forty-eight (48) juridical days.

Rockcastle County, at Mt. Vernon, on the fourth Monday in February, the third Monday in June, and the second Monday in September, twenty-four (24) juridical days each.

Twenty-Ninth District. Adair County, at Columbia, on the first Monday in March, twelve juridical days; on the first

Monday in July, eighteen juridical days; on the first Wednesday after the first Monday in November, ten juridical days.

Casey County, at Liberty, on the first Monday in February, eighteen juridical days; on the first Monday in June and September, twelve juridical days each.

Cumberland County, at Burkesville, on the third Monday in March, eighteen juridical days; on the third Monday in August and November, twelve juridical days each.

Monroe County, at Tomkinsville, on the second Monday in April, eighteen juridical days; on the first Monday in August and December, twelve juridical days each.

Fortieth District. Clinton County, at Albany, on the second Monday in January, on the fourth Monday in April, and on the first Monday in September, eighteen (18) juridical days each.

Russell County, at Jamestown, on the second Monday in February, on the fourth Monday in May, and on the first Monday in October, twenty-four (24) juridical days each.

Wayne County at Monticello, on the third Monday in March, on the first Monday in July, and on the second Monday in November, twenty-four (24) juridical days each.

Sec. 6. This Act shall take effect on August 28, 1950.

Said Committee amendment to said bill is as follows, viz:

WHEREAS, the General Assembly has given due regard to the elements of territory, business and population involved in the division of the State into judicial districts; and

WHEREAS, with such due regard, the General Assembly has found the following facts to exist:

1. That the entire population of the State as of the last preceding Federal census, is 2,845,627.

2. That upon the basis of such population, additional judicial districts may be established to those now existing, pursuant to Sections 128.132, and 138 of the Constitution.

3. That the County of Floyd had a population as of the last preceding Federal Census of more than fifty thousand; that the present population of the County of Floyd is now more than sixty thousand; and thus said County has the privilege under Section 138 of the Constitution of constituting a judicial district.

4. That the three counties of Lawrence, Johnson and Martin, taken together had a population, as of the last preceding Federal Census, of approximately the same as that of Floyd County; that the said three counties taken together would constitute a judicial district complying with the intent and purpose of the Constitution.

5. That currently, and heretofore, the amount of business of the Circuit Court in Floyd County is and was greater than the amount of business in the Circuit Courts of the three counties of Lawrence, Johnson and Martin taken together.

6. That in the present 31st Judicial District comprised of the Counties of Floyd and Martin, in order to go from one of these counties to the other, it is necessary to travel through the County of Johnson; that the three counties of Lawrence, Johnson and Martin are contiguous each to the other and are therefore geographically homogenous.

7. That it will be convenient and advantageous from the standpoint of territory, and will comply with the spirit and intent of the Constitution with respect to population and expedite the business of the courts in the counties involved, to create a new judicial district to consist of the Counties of Clinton, Russell and Wayne, and to change the Twenty-fourth, Twenty-eighth, Twenty-ninth, and Thirty-first Judicial Districts so they will consist of the following counties:

Twenty-fourth District—Lawrence, Johnson and Martin.

Twenty-eighth District—Pulaski and Rockcastle.

Twenty-ninth District—Adair, Casey, Cumberland and Monroe.

Thirty-first District—Floyd.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Twenty-fourth, Twenty-eighth, Twenty-ninth and Thirty-first Judicial Districts shall hereafter be composed of the following counties:

Twenty-fourth District—Lawrence, Johnson and Martin

Twenty-eighth District—Pulaski and Rockcastle

Twenty-ninth District—Adair, Casey, Cumberland and Monroe

Thirty-first District—Floyd

Sec. 2. A new judicial district is established to be numbered the Fortieth Judicial District and to consist of the Counties of Clinton, Russell and Wayne.

Sec. 3. The present circuit judges and Commonwealth's Attorneys for the Twenty-fourth, Twenty-Eighth, Twenty-Ninth, and Thirty-first Judicial Districts, as now constituted, shall retain their respective offices, for the terms for which they were elected, for the said districts as they have been changed under this Act.

Sec. 4. The offices of circuit judge and Commonwealth's Attorney for the new judicial district established by this Act, being the Fortieth Judicial District, are hereby created. Until the regular election for circuit judge and Commonwealth's Attorney in 1951, said offices shall be filled as provided in Section 152 of the Constitution for offices in which there is a vacancy.

Sec. 5. The regular term of each court in the judicial districts dealt with by this Act shall commence in each county at

the following named times, and continue, if the business requires it, the number of days hereinafter prescribed:

Twenty-fourth District. Johnson County, at Paintsville, on the third Monday in January, the third Monday in April, and the second Monday in September, twenty-four juridical days each.

Lawrence County, at Louisa, on the second Monday in March, the third Monday in June, and the fourth Monday in October, twenty-four juridical days each.

Martin County, at Inez, on the third Monday in February, eighteen juridical days, the third Monday in May, and the fourth Monday in November, twenty-four juridical days each.

Twenty-eighth District. Pulaski County, at Somerset, on the second Monday in January, thirty-six juridical days; on the second Monday in April, forty-eight juridical days; on the third Monday in July, twenty-four juridical days; and on the third Monday in October forty-eight juridical days.

Rockcastle County, at Mt. Vernon, on the fourth Monday in February, the third Monday in June, and the second Monday in September, twenty-four juridical days each.

Twenty-Ninth District. Adair County, at Columbia, on the first Monday in March, twelve juridical days; on the first Monday in July, eighteen juridical days; on the first Wednesday after the first Monday in November, ten juridical days.

Casey County, at Liberty, on the first Monday in February, eighteen juridical days; on the first Monday in June and September, twelve juridical days each.

Cumberland County, at Burkesville, on the third Monday in March, eighteen juridical days; on the third Monday in August and November, twelve juridical days each.

Monroe County, at Tompkinsville, on the second Monday in April, eighteen juridical days; on the first Monday in August and December, twelve juridical days each.

Thirty-first District. Floyd County, at Prestonsburg, on the first Monday in January, twenty-four juridical days; on the first Monday in February, eighteen juridical days; on the first Monday in March and the first Monday in April, twenty-four juridical days each; on the first Monday in May, eighteen juridical days; on the first Monday in June, twenty-four juridical days; on the first Monday in September, eighteen juridical days; and on the first Monday in October and on the second Monday in November, twenty-four juridical days each.

Fortieth District. Clinton County, at Albany, on the second Monday in January, on the fourth Monday in April, and on the first Monday in September, eighteen juridical days each.

Russell County, at Jamestown, on the second Monday in February, on the fourth Monday in May, and on the first Monday in October, twenty-four juridical days each.

Wayne County, at Monticello, on the third Monday in March, on the first Monday in July, and on the second Monday in November, twenty-four (24) juridical days each.

Sec. 6. This Act shall take effect on August 28, 1950.

Sec. 7. If any provision or portions of this Act, or the application of such provision or portions to any judicial district or districts effected hereby should be held invalid, the remainder of this Act and the application of such remaining provisions to any other judicial district or districts shall not be effected thereby.

Mr. Hayes moved the Previous Question.

Mr. Marshall moved that said motion be laid on the table.

Said motion as made by Mr. Marshall was disagreed to.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Mr. Waterfield arose to a point of information and requested the Speaker to rule as to whether or not said bill would be in a position to be amended if the House concurs in said Committee amendment by way of substitute.

The Speaker ruled that said bill would be in a position to be amended.

Said Committee amendment to said bill by way of substitute therefor was agreed to.

Mr. Lowman moved the Previous Question.

Without objection, said motion was withdrawn.

Mr. Losey offered the following amendment to said Committee amendment to said bill by way of substitute therefor, viz:

Amend Committee Substitute for S. B. No. 46 on page 4, section 5, lines 14 through 21, by striking lines 14 through 21 and inserting in lieu thereof:

Pulaski County at Somerset on the second Monday in January Criminal Term, thirty juridical days; on the second Monday in February, Civil Term, thirty juridical days; on first Monday in May, Criminal Term, thirty juridical days; on the second Monday in June, Civil Term, thirty juridical days; on the first Monday in September, Criminal Term, thirty juridical days; on the second Monday in October, Civil Term, thirty juridical days.

That Grand Juries shall be summoned for service only for the Criminal Terms.

Rockcastle County at Mt. Vernon on the third Monday in March, thirty juridical days; on the third Monday in July, thirty juridical days; on third Monday in November, thirty juridical days.

That whereas the Act taking Clinton and Wayne Counties from the Twenty-eighth Judicial District will not take effect until August 28, 1950, and in order that there be no confusion of the dockets this Act shall not take effect until August 28, 1950.

Said amendment to said Committee amendment by way of substitute was agreed to.

Mr. Losey moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed as amended.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	R. Josh Cosby	Woodrow W. Hollan
Edgar Arnett	Owen Deering	W. M. Horn
Sidney Baer	Thomas R. Duncan	Richard R. Houpt
Clarence J. Barnum	Mitchell S. Fannin	Robert N. Hubbard
C. E. Baumgardner	Henry C. Hale	Silas Jacobs
Leonard T. Bean	C. A. Hammons	Paul S. Jonas
Edward O. Bridgers	James P. Hanratty	Mrs. J. T. Linton
Charles J. Bronston	Paul E. Hayes	Harry K. Lowman
Charles W. Burnley	John A. Head	John Martin
Alex Calvert	William K. Henry	G. Lee McClain
Stanley Carter	E. R. Hilton	Jack McPherron
Paul Combs	Ray Holbrook	Walter R. Moorman

C. S. Nabb	Forest Smith	Egbert V. Taylor
James H. Polsgrove	Joseph T. Snapp	M. G. Thompson
Leonard W. Preston	John M. Spaulding	Rev. T. H. Tinsley
W. R. Reasor	Roy Steers	Fred M. Warns
Amos Runyan	Raymond D. Stigall	Harry Lee Waterfield
Dr. Roy Sanders	Mrs. Thelma Stovall	Lyle H. Webb
Paul E. Shannon	W. R. Stringer	G. F. Williamson
Gus Sheehan, Jr.		—58

Those who voted in the negative were—

John D. Beatty	William Jones	William T. Marshall
L. E. Bradley	James W. Lambert	Alton Mitchell
B. H. Crider	Homer E. Losey	Emmett G. Moore
Maurice G. Howard	A. L. (Chick) Love	—11

Mr. Hayes moved that the House do now adopt the title of said Committee amendment to said bill by way of substitute therefor as the title of said bill.

Said motion was agreed to.

Thereupon, the title of said Committee amendment of said bill by way of substitute therefor was agreed to.

Resolved that the title thereof be as amended.

Mr. Hayes moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

SENATE MESSAGE

A mesage was received from the Senate announcing that they had passed bills and a resolution which originated in that body of the following titles, viz:

S. B. No. 168. AN ACT Proposing an amendment to the Constitution of the Commonwealth of Kentucky relating to the imposition of additional taxes for the purpose of enabling payment of a bonus to war veterans.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Constitution of the Commonwealth of Kentucky is hereby proposed to be amended by the enactment of a new section of the Constitution, to read as follows:

The General Assembly shall have authority to provide for the levy and collection of an ad valorem tax on real property, a severance tax, and a sales or gross receipts tax, or any one or more of such taxes, in the discretion of the General Assembly, for the purpose of providing funds to enable payment of a bonus not to exceed Six Hundred Dollars (\$600.00) to any person engaged in any branch of the military or naval services of the United States, prescribed and classified by the United States War Department or United States Naval Department as a part of such service, during the period of actual hostilities during World War I or World War II, who, at the time of entering such service, was a legal resident of Kentucky, and who is still in such service in good standing on the effective date of this amendment, or having been discharged from such service prior to the effective date of this amendment under any conditions other than dishonorable, has continued to be a legal resident of Kentucky for not less than one year.

Sec. 2. The above amendment shall be submitted to the voters at the time and in the manner provided for under Sections 256 and 257 of the Constitution and Section 118.430 of the Kentucky Revised Statutes.

S. B. No. 195. AN ACT relating to war time, repealing Section 39.290 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. In counties containing a city of the first class the governing body of any unit of government may, by ordinance

or resolution, establish daylight saving time within the limits of the governing body of said unit of government by advancing by one hour the standard time as heretofore fixed and existing in the United States pursuant to Act of Congress.

Section 2. Section 39.290 of the Kentucky Revised Statutes is hereby repealed.

Section 3. The provisions of this Act are severable. If any section hereof should be held unconstitutional or invalid, such decision regarding the section shall not affect or impair the remainder of the Act. It is hereby declared to be the legislative intent to enact such section hereof separate and specific. All laws in conflict herewith are hereby repealed.

S. B. No. 177. AN ACT relating to schools established and maintained in conjunction with Houses of Reform as established in the Kentucky Revised Statutes, Chapter 198 and Children's Homes in counties containing a city of the first class as established by the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. Any school established and maintained in conjunction with an institution created under the provisions of Chapters 198 and/or 201 of the Kentucky Revised Statutes shall be deemed a common school of the State of Kentucky and shall be entitled to all the rights and privileges granted by law to public common schools.

SECTION 2. Any school so established shall be under the supervision and control of the State Department of Education and shall comply with all rules, regulations and requirements of said Department promulgated for public common schools, and shall likewise comply with all laws relating to public common schools and teachers thereof.

SECTION 3. Any school so established shall be financed from (1) a portion of the funds derived from taxes and levies or appropriations made in accordance with law for the general maintenance of such institutions and (2) its equitable share of such other funds as may be received by the State Department of Education for distribution to public common schools from State, Federal or other sources.

SECTION 4. Any school so established shall be entitled to receive free textbooks and any other services or supplies furnished by the State Department of Education.

SECTION 5. For the purpose of reporting the school census of schools maintained in such institutions, the governing authority of such institutions shall as provided in the Kentucky Revised Statutes 159.260 report to the Superintendent of Public Instruction all children of school age who on June 1 of any year are being maintained in such institutions.

SECTION 6. All acts or parts of acts inconsistent with the provisions of this act are repealed to the extent of such inconsistency.

SECTION 7. Whereas the cost of maintenance and education of children, particularly those who are dependent, neglected or delinquent has increased, and, whereas under the law the school census for the purpose of determining the amount of school funds that shall be paid must be made as of June 1 of each year, an emergency is declared to exist and this act shall be in full force and effect immediately upon its passage and approval.

S. B. No. 123. AN ACT relating to divorce and repealing, amending and reenacting KRS 403.020.

‘ Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. KRS 403.020 is repealed, amended and reenacted so when amended and reenacted it shall read as follows:

(1) A divorce may be granted to either party for the following causes:

(a) Such impotency or malformation as prevents sexual intercourse; or

(b) Living apart without any cohabitation for five consecutive years next before application.

(2) A divorce may be granted to the party not in fault for the following causes:

(a) Abandonment for one year;

(b) Living in adultery;

(c) Condemnation for felony in or out of this state;

(d) Concealment from the other party of any loathsome disease existing at the time of marriage, or contracting such a disease afterward;

(e) Force, duress or fraud in obtaining the marriage; or

(f) Uniting with any religious society whose creed and rules require a renunciation of the marriage covenant, or forbid husband and wife from cohabiting.

(3) A divorce may be granted to the wife, if she is not in like fault, for the following causes:

(a) Confirmed habit of drunkenness of not less than one year's duration, accompanied by a wasting of the husband's estate and without any suitable provision for the maintenance of the wife or children;

(b) Habitually behaving toward her, for not less than six months, in such cruel and inhuman manner as to indicate a settled aversion to her or to destroy permanently her peace or happiness; or

(c) Such cruel beating or injury, or attempt at injury, of the wife as indicates an outrageous temper in the husband, or probable danger to her life, or of great bodily injury, from her remaining with him.

(4) A divorce may be granted to the husband for the following causes:

(a) Where the wife is pregnant by another man without the husband's knowledge at the time of marriage;

(b) When not in like fault, habitual drunkenness on the part of the wife of not less than one year's duration;

(c) Adultery by the wife, or such lewd, lascivious behavior on her part as proves her to be unchaste, without actual proof of an act of adultery;

(d) Habitually behaving toward him, for not less than six months, in such cruel and inhuman manner as to indicate a settled aversion to him or to destroy permanently his peace or happiness; or

(e) Such cruel beating or injury, or attempt at injury, of the husband as indicates an outrageous temper in the wife, or probable danger to his life, or great bodily injury, from his remaining with her;

(5) (a) A divorce may be granted to the sane spouse when either the husband or wife has become permanently and incurably insane; provided, that no divorce shall be granted under this subsection unless such permanently incurably insane person shall have been confined in an insane asylum, hospital or other similar institution for a period of not less than five successive years prior to the filing of the petition for divorce, whether such period of time shall have been prior to or subsequent to June 19, 1946, or partly both, nor unless the court shall find from the testimony of two or more physicians competent in psychiatry that such insanity in their opinion, is permanently incurable. Except that when the insane spouse has been committed upon the testimony of two doctors to an insane asylum, hospital or other similar institution operated within this state by the Veterans Administration, Public Health service or other Federal Agency and has been by said agency transferred to its asylum, hospital or other facility in another state and has been kept at said place or places of transfer for more than five years and not restored to competency, said facts shall constitute sufficient

proof of permanent insanity to authorize the granting of a divorce to the sane spouse.

(b) The petition shall be filed under oath, in the court having jurisdiction over divorce matters in either the county where the plaintiff resides or in the county where the institution is located in which the insane person is confined.

(c) Service of process under this subsection shall be made as provided in Section 53, Kentucky Civil Code of Practice, relating to service of process upon persons of unsound mind.

(d) In cases arising under this subsection the court shall possess all powers which courts of equity now have, or which may hereafter be conferred upon them, relative to alimony, and custody and control and support of infant children of the parties. Where the plaintiff is the husband the court may, when necessary and circumstances warrant, require the plaintiff to pay alimony, support or maintenance for the benefit of said defendant and make provisions for the reasonable expense for the burial of said defendant, or it may require the plaintiff to give bond to the State of Kentucky, conditioned upon the payment by the plaintiff for the care and maintenance of said defendant, during the remainder of her life and necessary funeral expenses. The court may, upon notice, modify or revoke any orders or decrees relating to the custody of infant children and their support and the support and maintenance of the defendant.

S. B. No. 181. AN ACT relating to Workmen's Compensation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That section 342.070 of the Kentucky Revised Statutes is amended to read as follows:

If death should result within two years from an accident for which compensation is payable under this chapter, the employer or his insurer shall pay to the person entitled to compensation,

or, if none, then to the personal representative of the deceased employee, reasonable burial expenses of a person of the standard of living of the deceased, not to exceed the sum of \$300.00 and shall also pay to or for the following persons compensation as follows:

(1) If there are no dependents there shall be paid, in addition to the burial expenses and medical expenses, if any, the further sum of \$200.00, payment to be made to the personal representative of the deceased employee.

(2) If there are one or more wholly dependent persons 65 percent of the average weekly earnings of the deceased employee, but not to exceed \$23.00 nor less than \$7.00 per week shall be payable, all such payments to be made for the period between the date of death and 400 weeks after the date of accident to the employee, or until the intervening termination of dependency, but in no case to exceed the maximum sum of \$8,500.00.

(3) (a) If there are partly dependent persons, the payments shall be such part of what would be payable for total dependency as the partial dependency existing at the time of the accident to the employee is proportionate to total dependency and all such payments to be made for the period between the date of death and 400 weeks after the date of the accident to the deceased employee, or until the intervening termination of dependency, but in no case to exceed in the aggregate of compensation on account of such death the maximum sum of \$8,500.00.

(b) Partial dependency shall be determined by the proportion of the earnings of the employee which have been contributed to such partial dependent during one year next preceding the date of injury; if the relation of partial dependency did not exist for one year next preceding the date of injury, the Board shall consider all the facts and circumstances and fix such proportion as is fair and reasonable thereunder.

(4) All relations of dependency referred to in this section shall mean dependency existing at the time of the accident to the employee.

(5) If death occurs as a result of the injury after a period of total or partial disability, the period of disability shall be deducted from the total period of compensation and the benefits paid thereunder from the maximum allowed for death by this section."

Section 2. That section 342.075 of the Kentucky Revised Statutes is amended to read as follows:

(1) The following persons shall be presumed to be wholly dependent upon a deceased employee:

(a) A wife upon a husband whom she had not voluntarily abandoned at the time of the accident, or who having been abandoned by her husband has not engaged in such conduct since his abandonment as would at common law constitute grounds justifying the abandonment of such wife by her husband;

(b) A husband incapacitated from wage-earning, upon a wife whom he has not voluntarily abandoned at the time of the accident to the wife; and

(c) A child or children under the age of sixteen years if incapacitated from wage-earning, upon the parent with whom such child or children are living or by whom actually supported at the time of the accident.

(2) In all other cases the relation of dependency in whole or in part shall be determined in accordance with the facts of each case existing at the time of the accident.

(3) No person shall be considered a dependent in any degree unless he is living in the household of the employee at the time of the accident, or unless such person bears to the employee the relation of father, mother, husband or wife, father-in-law or mother-in-law, grandfather or grandmother, child, or grandchild, or brother or sister of the whole or half blood."

Section 3. That Section 342.095 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the injury causes total disability for work, the employer, during such disability, except the first seven days thereof, shall pay the employee a weekly compensation equal to 65% of his average weekly earnings, not to exceed \$24.00 nor less than \$7.00 per week, such payments to be made during the period of total disability but not longer than 10 years after the date of the injury nor in any case to exceed a maximum sum of \$10,000.00. If the period of total disability begins after a period of partial disability, the period of partial disability shall be deducted from the total period of 10 years during which compensation for total disability may be payable, and the payments made on account of such partial disability shall be deducted from the maximum of \$10,000.00.

(2) In case of the following injuries the disability shall be considered total and permanent:

- (a) The total permanent loss of sight in both eyes.
- (b) The loss of both feet at or above ankle.
- (c) The loss of both hands at or above the wrist.
- (d) A similar loss of one hand and one foot.
- (e) A similar loss one one hand and one eye.
- (f) A similar loss of one foot and one eye.
- (g) An injury to the spine, resulting in permanent and complete paralysis of both arms or both legs, or of one arm and one leg.
- (h) An injury to the skull resulting in incurable insanity or imbecility.

(3) The enumeration in subsection (2) is not exclusive, but in all other cases the burden of proof shall be on the claimant to prove that his injuries have resulted in permanent total disability."

Section 4. That section 342.100 of the Kentucky Revised Statutes is amended as follows:

In case of an injury resulting in temporary partial disability, the employee shall receive during such disability, except the

first seven days thereof, a weekly compensation equal to 65 percent of the difference between his average weekly earnings before the injury and the average weekly earnings that he earns, or is able to earn, in some suitable employment after the injury and during such disability, not to exceed 450 weeks from the date of injury, nor exceeding the sum of \$21.00 per week nor the maximum sum of \$8,600.00. If partial disability follows a period of total disability, the period of total disability shall be deducted from the maximum period allowed for partial disability."

Section 5. That section 342.105 of the Kentucky Revised Statutes is amended to read as follows:

For injuries enumerated in the following schedule the employee shall receive, in addition to temporary total disability compensation for the period of actual total disability, not exceeding 20 weeks, a weekly compensation equal to 65 percent of his average weekly earnings, but not less than \$7.00 per week nor exceeding \$21.00 per week for the periods stated thereon:"

(1) For the loss of a thumb, 65 percent of the average weekly wages during 60 weeks.

(2) For the loss of a first finger, commonly called the index finger, 65 percent of the average weekly wages during 45 weeks.

(3) For the loss of a second finger, 65 percent of the average weekly wages during 30 weeks.

(4) For the loss of a third finger, 65 percent of the average weekly wages during 20 weeks.

(5) For the loss of a fourth finger, commonly known as the little finger, 65 percent of the average weekly wages during 15 weeks.

(6) The loss of the second, or distal phalange, of the thumb shall be considered to be equal to the loss of one-half of the thumb; the loss of more than one-half of the thumb shall be considered equal to the loss of the whole thumb.

(7) The loss of the third, or distal phalange of any finger shall be considered to be equal to the loss of one-third of the finger.

(8) The loss of the middle, or second phalange, of any finger shall be considered equal to the loss of two-thirds of the finger.

(9) The loss of more than the middle and distal phalanges of any finger shall be considered equal to the loss of the whole finger, but in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand.

(10) For the loss of a metacarpal bone (bone of the palm) for the corresponding thumb, finger or fingers above add 10 weeks to the number of weeks as above.

(11) For ankylosis (total stiffness of) or contractures (due to sears or injuries) which makes the fingers more than useless, the same number of weeks apply to such finger or fingers (not thumb) as given above.

(12) For the loss of a hand, 65 percent of the average weekly wages during 150 weeks.

(13) For the loss of an arm 65 percent of the average weekly wages during 200 weeks.

(14) For the loss of one of the toes, other than the great toe, 65 percent of the average weekly wages during 10 weeks.

(15) For the loss of the great toe, 65 percent of the average weekly wages during 30 weeks.

(16) The loss of more than two-thirds of any toe shall be considered to be equal to the loss of the whole toe.

(17) The loss of less than two-thirds of any toe shall be considered to be equal to the loss of one-half toe.

(18) For the loss of a foot, 65 percent of the average weekly wages during 200 weeks.

(19) For the loss of a leg, 65 percent of the average weekly wages during 200 weeks.

(20) For the total and permanent loss of the sight of an eye, 65 percent of the average weekly wages during 100 weeks, plus an additional 20 weeks in cases where the eye ball is enucleated.

(21) For the total and permanent loss of hearing in one ear, 65 percent of the average weekly wages during weeks.

Section 6. That section 342.110 of the Kentucky Revised Statutes is amended to read as follows:

In all other cases of permanent partial disability, including any disfigurement which will impair the future usefulness or occupational opportunities of the injured employee, compensation shall be determined according to the percentage of disability, taking into account, among other things, any previous disability, the nature of the physical injury or disfigurement, the occupation of the injured employee and age at the time of injury. In no event shall compensation for an injury to a member exceed the amount allowable for the loss of such member. The compensation paid therefor shall be 65 percent of the average weekly earnings of the employee but not less than \$7.00 nor more than \$21.00, multiplied by the percentage of disability caused by the injured, for such period as the board determines, not exceeding 450 weeks nor a maximum sum of \$8,600.00. Compensation payable under this section shall not be affected by the earnings of the employee after the accident, whether they be the same, or greater, or less than prior to the accident. Whenever the weekly payments under this section would be less than \$5.00 per week, the period may be shortened and the payments correspondingly increased to that amount. Where compensation, except as provided in KRS 342.020 and 342.030, is paid under any other provision of this chapter, the period during which such other compensation is paid shall be deducted from the maximum period which may be paid under this section."

Section 7. A new section of the Kentucky Revised Statutes is created which shall read as follows:

The Kentucky Workmen's Compensation Act commonly known Chapter 342 of the Kentucky Revised Statutes shall be

liberally construed on questions of law, as distinguished from evidence, and the rule of law requiring strict construction of statutes in derogation of the common law shall not apply to this Act.

S. B. No. 182. AN ACT relating to Workmen's Compensation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 342.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) If an application for review is made to the board within fourteen days from the date of the award, the full board, if the first hearing was not held before the full board, shall, as soon as practicable, review the evidence, or, if deemed advisable, hear the parties at issue, their representatives and witnesses, and shall make an award and file it as specified in KRS 342.275.

Section 2. Section 342.315 of the Kentucky Revised Statutes is amended to read as follows:

The Board, or any member thereof may, upon the application of either party or upon its own motion, appoint a disinterested and duly qualified physician or surgeon to make any necessary medical examination of the employee and to testify in respect thereto. The physician or surgeon shall be allowed a reasonable fee to be fixed by the Board, not exceeding fifty dollars for each examination and report, except that the Board may allow additional reasonable amounts in extraordinary cases and the reasonable cost of X-rays, if any; the Board may in its discretion allow a fee not in excess of ten dollars for any deposition given by such physician or surgeon. The Board may allow traveling expenses to the employee or to the physician or surgeon. The traveling expenses and fees allowed under this subsection shall be paid out of the maintenance fund.

Section 3. Section 342.485 of the Kentucky Revised Statutes is amended to read as follows:

If the total net surplus to the credit of the maintenance fund of June 30 of any year exceeds \$150,000 the tax provided for under KRS 342.475 shall not be assessed or collected during the ensuing year, and the tax provided for under KRS 342.450 shall be collected, but paid into the State Treasury to be credited to the General Fund instead of to the maintenance fund provided for in KRS 342.480.

S. Res. No. 40. A JOINT RESOLUTION providing for payment of ministers of the churches of Frankfort, Kentucky, for performing the duties of chaplain for the General Assembly.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That the sum of twelve hundred dollars (\$1,200.00) is hereby appropriated out of the Legislative Session Fund, one hundred and fifty dollars (\$150.00) of which is to be paid to each of the following named ministers of Frankfort, Kentucky, for performing the duties of Chaplain for the General Assembly:

W. B. Campbell, H. Glenn Stephens, E. W. Baxter, W. P. Wilhoite, Fred T. Moffett, Father Joseph A. O'Dwyer, O. Leland Gilmore, and Paul S. Stauffer.

Sec. 2. That the Chief Clerk of the Senate shall certify this Resolution to the Commissioner of Finance, who shall draw his warrant upon the State Treasurer for the amounts above designated and the State Treasurer shall pay the same.

WHEREAS, all employees of the General Assembly have been promptly paid for their services and said ministers have been faithful in attending as chaplain, and are also entitled to prompt payment, an emergency is hereby declared to exist and this Resolution shall take effect from and after its passage and approval by the Governor.

Ordered that said bills and said resolution be printed and referred to the Committee on Rules.

The message which was received from the Senate also announced that they had passed a bill which a bill which originated in this House of the following title, viz:

H. B. No. 253. AN ACT changing the classification of the City of Hazard, in Perry County.

Ordered that said bill be delivered to the Enrolling Clerk of this House.

The Enrolling Clerk of this House delivered the original and enrolled copies of bills of the following titles, viz:

H. B. No. 22. AN ACT relating to the meetings of boards of commissioners in cities operated under the City Manager form of government, amending Section 89.550 of the Kentucky Revised Statutes.

H. B. No. 95. AN ACT relating to penalties for violation of laws concerning pharmacists, amending Section 315.990 of the Kentucky Revised Statutes.

H. B. No. 148. AN ACT amending Sections 176.260 and 176.270 of the Kentucky Revised Statutes relating to the fiscal year for the Department of Highways and the State Road Fund, thereby permanently changing the fiscal year and extending each fiscal year in order to effect the change; and appropriating additional monies for the extended periods to the State Road Fund; appropriating additional monies for the extended periods from the State Road Fund to the Department of Highways, the Division of Rural Highways, and the Department of State Police; and further appropriating additional monies for the year 1950-51 from the State Road Fund to the Agricultural and Industrial Development Board.

H. B. No. 162. AN ACT relating to agricultural seeds; making provisions for the production, supplying, furnishing and

distribution of seed stocks or foundation seeds, and including provisions for appropriation of funds therefor.

H. B. No. 177. AN ACT relating to cities of the second class.

H. B. No. 183. AN ACT changing the classification of the City of Martin, in Floyd County, and declaring an emergency.

H. B. No. 213. AN ACT to protect the blind and incapacitated pedestrians on public streets and highways; requiring vehicles to come to a full stop in certain cases; restricting the use of certain colored canes by other pedestrians; and imposing penalties.

H. B. No. 237. AN ACT relating to medical examination or furnishing of records as a condition of employment.

Which were signed by the Speaker of the House on March 2,

Duly signed by the President of the Senate

Into the possession of the Chief Clerk of this House.

Ordered that the Chief Clerk deliver said bills to the Governor.

After a time the Chief Clerk reported that he had discharged the duty imposed upon him.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 372. AN ACT relating to the jurisdiction of officers of the Department of Kentucky State Police.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 16.120 of the Kentucky Revised Statutes is hereby amended to read as follows:

Neither the commissioner nor any officer of the department shall exercise the powers conferred by K.R.S. 16.010 to 16.180 within the limits of any incorporated city of the first to the fifth class, inclusive, except (a) when in hot pursuit of an offender or supposed offender, or (b) when in search of an offender or supposed offender wanted for a crime committed outside of the corporate limits of a city, or (c) when interviewing or seeking to interview a witness to any such crime, or (d) when requested to act by the chief executive officer of the city or its chief police officer, or (e) when on the grounds of any real property owned or leased by the Commonwealth or department or agency thereof, or (f) when on any street maintained by the Department of Highways, or (g) when ordered by the Governor, in case of emergency, to act within any specified city or cities. Provided, however, the chief executive officer of any city may request that any officer or officers of the department be given full police authority within such city for a term of months or years or until revoked, and when such request has been approved by the commissioner, all officers of the department shall have authority to exercise the powers herein conferred within such city during the term specified, or until such authority is revoked by the chief executive officer of said city.

Mr. Williamson moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	C. A. Hammons	Jack McPherron
Edgar Arnett	James P. Hanratty	Walter R. Moorman
Sidney Baer	Paul E. Hayes	C. S. Nabb
Clarence J. Barnum	John A. Head	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Hobart Rayburn
John D. Beatty	E. R. Hilton	W. R. Reasor
Fred Beshear	Ray Holbrook	Amos Runyan
L. E. Bradley	Woodrow W. Hollan	Dr. Roy Sanders
Edward O. Bridgers	W. M. Horn	Jesse H. Shelton
Charles J. Bronston	Richard R. Houpt	Joseph T. Snapp
Charles W. Burnley	Durham W. Howard	John M. Spaulding
Alex Calvert	Robert N. Hubbard	Roy Steers
Paul Combs	Silas Jacobs	Raymond D. Stigall
R. Josh Cosby	Barkley Jones	W. R. Stringer
B. H. Crider	William Jones	Egbert V. Taylor
Owen Deering	Mrs. J. T. Linton	M. G. Thompson
Thomas R. Duncan	A. L. (Chick) Love	Rev. T. H. Tinsley
Henry C. Hale	G. Lee McClain	G. F. Williamson

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Those who voted in the negative were—

Paul S. Jonas	Leonard W. Preston	Mrs. Thelma Stovall
Homer E. Losey	Roy Searcy	Lyle H. Webb
John Martin	Paul E. Shannon	Charles W. Wirsch
Emmett G. Moore	Gus Sheehan, Jr.	
Dr. C. E. Palmore	Forest Smith	

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 366. AN ACT relating to Petty Cash Funds of State Budget Units.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 45.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any budget unit may, when provided for by appropriation or when authorized by the Department of Finance, establish a petty cash fund of not more than fifteen thousand dollars for the purpose of making disbursements requiring prompt cash outlay, and to carry out the provisions of KRS 42.060 (2) applying to the delegation of authority to purchase. The State Treasurer, upon warrants of the Department of Finance based upon a requisition from the head of the budget unit, shall pay to the head of such budget unit the amount necessary to establish such a fund. The custodian designated by the head of the budget unit shall, as often as may be necessary to replenish the fund and at least once each month, file with the Department of Finance a schedule of the disbursements from the fund, accompanied by appropriate vouchers and statements of indebtedness therefor approved by the head of the budget unit, and by a certificate as to the condition of the fund. The amount of the total of the approved vouchers shall be paid to the custodian of the fund on the warrant of the Department of Finance, and the amount shall be devoted to reimbursement of the fund. Any question relative to the amount to be allowed in any petty cash fund, the expenditure thereof, the accounting therefor, and the repayment thereof to the State Treasurer, shall be determined by the Department of Finance. Each petty cash fund shall lapse with the appropriation on which it is based, but may be re-established by appropriation for the next ensuing fiscal year or when authorized by the Department of Finance.

(2) Where work is done on public projects by the state through the use of its own personnel or facilities in whole or in part, which work is not subject to the provisions of KRS 42.070, the Budget unit having such work performed may, when authorized by the Department of Finance, establish a petty cash fund for the purpose of defraying the expenses of the proposed project, which fund shall not exceed at any time an amount equal to twenty-five (25%) percent of the anticipated total cost of the project.

Mr. Baer moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	L. E. Bradley	Alex Calvert
Edgar Arnett	Edward O. Bridgers	Stanley Carter
Sidney Baer	Thomas L. Britton	Paul Combs
Clarence J. Barnum	Charles J. Bronston	R. Josh Cosby
C. E. Baumgardner	J. D. Buckman, Jr.	Thomas R. Duncan
Fred Beshear	Charles W. Burnley	Mitchell S. Fannin

Henry C. Hale	Barkley Jones	Dr. Roy Sanders
C. A. Hammons	James W. Lambert	Paul E. Shannon
James P. Hanratty	Jesse H. Lawrence	Gus Sheehan, Jr.
Paul E. Hayes	Mrs. J. T. Linton	Forest Smith
John A. Head	A. L. (Chick) Love	John M. Spaulding
William K. Henry	Harry K. Lowman	Raymond D. Stigall
E. R. Hilton	John Martin	Mrs. Thelma Stovall
Ray Holbrook	G. Lee McClain	W. R. Stringer
Woodrow W. Hollan	Jack McPherron	Egbert V. Taylor
W. M. Horn	Walter R. Moorman	Rev. T. H. Tinsley
Richard R. Houpt	C. S. Nabb	Fred M. Warns
Robert N. Hubbard	James H. Polsgrove	G. F. Williamson
Silas Jacobs	W. R. Reasor	Charles W. Wirsch
Paul S. Jonas	Amos Runyan	—59

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 376. AN ACT relating to condemnation of property and interests in property for flood control, flood protection or drainage purposes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 104.170 of the Kentucky Revised Statutes is amended to read as follows:

Whenever in the opinion of the governing body of any city, county, flood control, drainage, levee, reclamation or soil conservation district any land or other property or right of way or easement over or through any property, is needed by the city,

county, flood control, drainage, levee, reclamation or soil conservation district to perform work or construct structures or improvements for flood control, flood protection or drainage purposes, or to permit others, including the United States of America or any governmental department, branch or agency thereof, to perform work or construct structures of improvements for flood control, flood protection or drainage purposes, either within or beyond the boundaries of the city, county, flood control, drainage, levee, reclamation or soil conservation district, the governing body may, by resolution reciting the need, order the condemnation of the land or other property, or right of way or easement, needed for such purpose or project, and may proceed to condemn and acquire title to any such land or other property, or right of way or easement, as provided by and pursuant to the provisions of KRS 94.680 to 94.720, and as further provided by and pursuant to the provisions hereinafter set out:

(1) The judge of the circuit court shall, upon the filing of a petition by the city, county, flood control, drainage, levee, reclamation or soil conservation district, seeking condemnation of any such land or other property, or right of way or easement for such purpose or project, grant and award immediate possession and full and complete use and control of said land or other property, or right of way or easement to the city, county, flood control, drainage, levee, reclamation or soil conservation district by an interlocutory judgment which shall be rendered immediately after the filing of the report by the commissioners duly appointed pursuant to the provisions of KRS 94.690, and the city, county, flood control, drainage, levee, reclamation or soil conservation district shall thereupon be entitled to take possession thereof and to use and control the same for the purpose for which it is being condemned as fully as if the title had been conveyed to it; however, prior to the rendering of the interlocutory judgment, the city, county, flood control, drainage, levee, reclamation or soil conservation district shall be required to pay into court the sum awarded by the commissioners in their report for such land or other property, or right of way or easement. The court shall, after having rendered said interlocutory judgment, upon motion by the city, county, flood control, drainage, levee, reclamation or soil conservation district,

make such orders as may be necessary and proper for the conveyance of title to such land or other property or property rights to the city, county, flood control, drainage, levee, reclamation or soil conservation district, by a deed of conveyance therefor, to be executed by the regular court commissioner or a special commissioner appointed by the court for this purpose, which deed shall be executed as nearly as practicable in accordance with the rules governing the conveyance of property by commissioners when sold under order of court.

(2) The Commissioners appointed pursuant to KRS 94.690 may report at any time after summons has been duly issued or warning order attorney appointed. Thereafter, either party may, before answer day, file written exceptions to said report, as provided in KRS 94.700, except that the city's, county's, flood control, drainage, levee, reclamation or soil conservation district's exceptions, if any, shall be made and filed prior to the entry of said interlocutory judgment. The sum not in controversy shall be paid or tendered to the parties defendant by the court prior to the entry of said interlocutory judgment.

(3) It is further provided that before rendering the interlocutory judgment, the court shall require the city, county, flood control, drainage, levee, reclamation or soil conservation district to execute a bond, with surety to be approved by the court, conditioned upon the city, county, flood control, drainage, levee, reclamation or soil conservation district paying to the parties defendant the difference between the sum paid into court and that which may thereafter be finally determined to be the value of the property or property rights and incidental damages, if any, if the parties defendant except to the report of the commissioners, unless the city, county, flood control, drainage, levee, reclamation or soil conservation district shall have sufficient funds duly appropriated, properly allocated to that purpose, and on deposit to pay any money judgments, including all costs adjudged against the city, county, flood control, drainage, levee, reclamation or soil conservation district, that may thereafter be rendered against it, and such fact or facts shall be alleged in its petition for condemnation.

(4) The city, county, flood control, drainage, levee, reclamation or soil conservation district shall not be permitted to

abandon the condemnation proceeding after having obtained possession and title to said land or other property or property rights unless none of the parties defendant will be materially prejudiced thereby.

(5) The proceedings for condemnation under the provisions of this section shall be conducted in the name of the city, county flood control, drainage, levee, reclamation or soil conservation district by its regular attorney or by special counsel employed and designated by it to conduct such condemnation proceedings for such purpose, which power to employ and designate special counsel for such purpose is granted the city, county, flood control, drainage, levee, reclamation or soil conservation district notwithstanding the provisions of subsection (2) of KRS 94.680, requiring condemnation proceedings by second-class cities to be conducted in the name of the city solicitor.

Mr. Lowman moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Paul E. Hayes	C. S. Nabb
Edgar Arnett	John A. Head	James H. Polsgrove
Sidney Baer	William K. Henry	Leonard W. Preston
Clarence J. Barnum	E. R. Hilton	Hobart Rayburn
C. E. Baumgardner	Ray Holbrook	W. R. Reasor
John D. Beatty	Woodrow W. Hollan	Amos Runyan
Fred Beshear	W. M. Horn	Roy Searcy
L. E. Bradley	Richard R. Houpt	Paul E. Shannon
Edward O. Bridgers	Durham W. Howard	Gus Sheehan, Jr.
Thomas L. Britton	Robert N. Hubbard	Jesse H. Shelton
J. D. Buckman, Jr.	Silas Jacobs	Forest Smith
Charles W. Burnley	Barkley Jones	John M. Spaulding
Alex Calvert	William Jones	Raymond D. Stigall
Stanley Carter	James W. Lambert	Mrs. Thelma Stovall
Paul Combs	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	M. G. Thompson
Thomas R. Duncan	Harry K. Lowman	Rev. T. H. Tinsley
Mitchell S. Fannin	G. Lee McClain	Fred M. Warns
Henry C. Hale	Jack McPherron	G. F. Williamson
C. A. Hammons	Walter R. Moorman	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Lowman moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the rules be suspended for the purpose of introducing a bill.

Said motion was agreed to by a majority of the members elected.

Thereupon a bill of the following title was introduced, viz:

By Messrs. Bill Adams, Estepp and Durham W. Howard.

H. B. No. 442. AN ACT relating to the distribution of the common school equalization fund.

Said bill is as follows, viz:

WHEREAS, school equalization moneys could be more equitably and realistically distributed if the mathematical constant used in such distribution was based upon the latest state average "assessment ratio" of forty-two per cent;

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The introductory clause and subsection (7) of section 157.051 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 157.051 to 157.055:

(7) "Tax effort index" means the result obtained when a school district's assessment ratio is multiplied by such school district's tax rate and the product thereof is divided by a mathematical constant. The mathematical constant for the school year beginning on July 1, 1950 shall be .63 and shall increase yearly by 0.2 until it becomes .75 at which figure it shall remain until otherwise provided by law. A tax effort index of greater than one shall be considered as one.

Ordered that said bill be printed and referred to the Committee on Rules.

Mr. Hanratty moved that the House do now adjourn to meet again at 8 o'clock, p.m., Monday, March 6, 1950.

Said motion was agreed to.

And then the House adjourned.

MONDAY, MARCH 6, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by Dr. Fred T. Moffatt, pastor of the First Baptist Church, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	John A. Head	James H. Polsgrove
Bill Adams	Harold G. Helm	Leonard W. Preston
Edgar Arnett	E. R. Hilton	W. R. Reasor
Sidney Baer	Ray Holbrook	Carl J. Ruh
Clarence J. Barnum	Woodrow W. Hollan	Amos Runyan
C. E. Baumgardner	Chester J. Holsclaw	Dr. Roy Sanders
Leonard T. Bean	W. M. Horn	LeRoy Saylor
John D. Beatty	Richard R. Hought	Roy Searcy
Fred Beshear	Durham W. Howard	Paul E. Shannon
L. E. Bradley	Maurice G. Howard	James S. Shaw
Edward O. Bridgers	Robert N. Hubbard	Gus Sheehan, Jr.
Thomas L. Britton	Silas Jacobs	Jesse H. Shelton
Charles J. Bronston	Paul S. Jonas	Forest Smith
J. D. Buckman, Jr.	Barkley Jones	John M. Spaulding
Mrs. M. E. Burnett	William Jones	J. Claude Stacy
Charles W. Burnley	James W. Lambert	Roy Steers
Alex Calvert	Jesse H. Lawrence	Raymond D. Stigall
Stanley Carter	Mrs. J. T. Linton	Mrs. Thelma Stovall
Paul Combs	Homer E. Losey	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Rev. T. H. Tinsley
G. I. Drury	Damon Majors	Ralph N. Walter
Thomas R. Duncan	John Martin	Fred M. Warns
R. C. Estepp, Sr.	G. Lee McClain	Harry Lee Waterfield
Mitchell S. Fannin	Jack McPherron	Lyle H. Webb
Henry C. Hale	Alton Mitchell	Morris Weintraub
C. A. Hammons	Emmett G. Moore	G. F. Williamson
James P. Hanratty	Walter R. Moorman	Charles W. Wirsch
George F. Harris	C. S. Nabb	Adron Doran,
Paul E. Hayes	Dr. C. E. Palmore	Speaker

The Chief Clerk produced and read the following communication, viz:

March 6, 1950

Honorable Adron Doran
 Speaker of the House of Representatives
 Frankfort, Kentucky
 Dear Mr. Speaker:

It is requested that the Senate and the House of Represen-

tatives convene in joint session this evening for the purpose of hearing a message from the Governor.

Sincerely yours,

s/ Edward A. Farris

Executive Secretary

Mr. Hanratty moved that the Speaker be authorized and directed to appoint a committee to wait upon the Senate and notify that body that the House and Senate will meet in Joint Session this evening for the purpose of hearing His Excellency, the Honorable Earle C. Clements, the Governor of the Commonwealth of Kentucky.

Said motion was agreed to.

Thereupon, the Speaker announced the following as members constituting said committee, viz:

J. D. Buckman, Jr.

Leonard T. Bean

Gus Sheehan, Jr.

W. R. Reasor.

Mr. Baer moved that leaves of absence be granted to Messrs. Bailey, Blevins, Marshall, Archie R. Moore, Morgan, Rayburn and Snapp.

Said motion was agreed to.

Mr. Harris moved that the reading of the Journal of the proceedings of Friday, March 3, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Buckman of the Committee heretofore appointed to wait upon the Senate and the Governor reported that they had discharged the duties imposed upon them and that they had been informed by the Governor that he would address the General Assembly in Joint Session at 8:30 o'clock, p.m.

The hour of 8:30 o'clock, p.m., having arrived, that being the hour for the Joint Session of the Senate and House for the purpose of hearing His Excellency, the Honorable Earle C. Clements, Governor of the Commonwealth of Kentucky, the Senate of Kentucky appeared and in order entered upon the floor of the House of Representatives, and the Honorable Lawrence Wetherby, Lieutenant Governor and President of the Senate took the Chair and presided, and the Honorable Adron Doran, Speaker of the House of Representatives having taken his seat on the right of the President of the Senate, the two Houses were convened in Joint Session which was composed of a majority of all the members elected to each House.

There being no objection, the call of the roll of the Senate and House of Representatives in Joint Session was dispensed with.

After a time the Committee aforesaid appeared upon the floor of the House with His Excellency, Earle C. Clements, Governor of the Commonwealth of Kentucky, who having taken his place at the Clerk's desk addressed the General Assembly in Joint Session as follows, viz:

The opportunity to appear before you tonight was requested in order to bring to your attention certain matters which—in my judgment—require our special and immediate consideration—matters which—except for circumstances that I presently will mention—would have been presented to you at an earlier time in this session.

In November, 1949, the people of Kentucky approved two amendments to our State Constitution. Section 246 of the Constitution was amended to provide an increase in the maximum at which the salary of a public officer or employe may be fixed by law. The amendment provided that compensation within the new limits may be authorized by the General Assembly—but not retroactively—to public officers now in office.

The second amendment which was approved by the voters of Kentucky amended Section 186 of the Constitution, so as to

provide that in the distribution of the common school fund, under laws enacted by the General Assembly governing the manner of distribution and use, each school district shall receive on a census pupil basis its proportionate part of at least 75 per cent of the fund, the balance to be distributed in such manner as the General Assembly may determine.

It is apparent that each of these amendments requires action on the part of the Legislature—in order to accomplish the purposes for which they were approved by the voters of Kentucky.

With regard to the first amendment which I have mentioned, it is incumbent upon the Legislature to fix the compensation of the public officers and employes within the limits prescribed in the amendment. With respect to the second amendment, it is necessary that the General Assembly prescribe by general law the manner of the distribution of the common school fund. Action on the amendments is necessary because the people of Kentucky, in approving the amendments, indicated their desire that the amendments become effective—working—parts of the fundamental law of our state.

It is quite obvious that to make the amendments effective will require the utilization of additional public funds—and the enactment of legislation to make these additional funds available. I was fully aware of this when I sponsored the passage of the Acts proposing the amendments at the 1948 session of the General Assembly. I continued to be aware of this when, at every opportunity and in every public appearance during the period preceding the election in 1949, I urged the adoption of the amendments. I do not hesitate to say to you that I personally mobilized the forces which raised, by public subscription, the funds essential to publicize and promote ratification of the amendments. I continued, after the amendments were approved at the election in 1949, to be fully aware of the necessity of providing funds with which to make them effective, and immediately following the determination of the results of the election I prepared a plan representing my conception of a sound and conservative program for making the amendments effective.

Let me say now—that in my thinking—it was an orderly and intelligent method of procedure for us first to allocate and dis-

tribute the anticipated revenue for the next biennium, under our present tax structure, within the existing budgetary units of our government, before understanding consideration of methods of financing the additional budgetary requirements represented by the Constitutional amendments.

You will recall that on January 9, 1950, I reported to you on the finances of the Commonwealth—and submitted a budget for your consideration. You were advised then that the budget which was submitted made an equitable distribution of all the anticipated income of the Commonwealth between the existing agencies of government.

No reasonable critic has been able to show any inequity in the budget which was submitted—which you enacted into law—and which today forms the basic financial framework of the state government for the next two years.

It was my hope that, as soon as the basic budget was disposed of, I might be able to submit to you my recommendations for accomplishing the will of the people of Kentucky as represented by the two amendments to the Constitution, with a proposed method of financing these needed improvements in our government. However, even before the basic budget had been acted upon by you, demands were intensified for an additional appropriation of \$12,200,000, for a single phase of public education. When it became clear that all of the funds in hand and every dollar which reasonably might be anticipated for the next two years had been budgeted fairly, officers of the Kentucky Education Association announced their recommendation that the General Assembly enact into law a 4-point tax measure, to finance the additional appropriation which was demanded.

Following the introduction of the supplemental appropriation demanded by the K.E.A. and submission of the specific tax measures, incorporating the recommendations of the Association, one tax measure after another was introduced in the House of Representatives—and none of them—up to now—has been enacted into law. I felt that the Governor should withhold submitting to you for your consideration any measure requiring additional revenue—however urgent—until you—the Legislature—in the exercise of your sound and independent judgment—had

acted upon the appropriation and revenue measures proposed by the K.E.A. leadership. Now you have acted! Your decision has been reached without interference from the Executive branch of the government. Fifty of the 60 Legislative days have passed. I think it is safe to say that no subject in modern times has consumed more legislative time—and received more legislative consideration—than you have given to the demands of the K.E.A. leadership.

We now have the opportunity to consider in an orderly manner, as I had hoped from the beginning, legislation to give life to the two Constitutional amendments. The legislation should be prudent legislation—deliberately designed to use with care and caution the power which the people have entrusted to the legislative and executive branches of their government. There will be submitted to you tonight such legislation—and I believe that when you have examined it—you will find it to be prudent.

You will observe two outstanding characteristics of the legislation which will be submitted concerning the compensation of public officers and employees. The first characteristic is the surrender by the present Governor and the elected members of his Cabinet of any benefit by the increase in salary limits. I have discussed this matter with the elected members of the Cabinet—and they share this view.

The second characteristic is the restoration to local government of one of its prime prerogatives—namely—the fixing of the compensation of local officers and employees. I am devoted to the principle that government should be kept as close to home as is possible—consistent with the progress of the Commonwealth. The first responsibility of government rests upon the local communities. The Legislature should not invade these provinces. Legislation at the State level should deal with matters which affect the entire State. Only under the most compelling emergencies should any privilege of local government be abrogated. When you examine the legislation which will be submitted to you—you will find that wherever possible—the responsibility of fixing the compensation of officers whose duties are local has been left to local government. This—I believe—is as it should be.

As respects the equalization amendment—there will be submitted to you legislation which will increase appropriations to the more needy school districts—in keeping with the intent of the amendment. If the submitted legislation is enacted into law—the common school fund will be increased by \$3,000,000 per year over the appropriation for the last biennium—making a total common school fund of \$24,500,000 for each year of the next biennium.

This fund will be distributed 82 and one-half percent on a per capita basis—and 17 and one-half percent on an equalization basis.

To give force and effect to the two amendments which our citizens approved last November—it is—of course—necessary that we provide additional revenue. There will be submitted to you a revenue measure which will permit the suggested appropriations to be made out of current revenues.

I am sensitive to the fact that you have rejected certain revenue measures. I assume—as I should assume—that when you rejected certain revenue measures earlier in this session—you took such action in good faith—and with a firm conviction that such measures should not now become law. I respect your judgment and the position which you have taken. I could not—with propriety—ask you to take any different action now. Consequently—the source of the additional revenue is one which has not been acted upon by you—and which I can ask you now to enact without deviating from any previous decision which you have reached.

When you have examined the suggested revenue measure—you will observe that it is of temporary nature. I mean for two years. It is designed only to serve until the entire revenue structure of the Commonwealth may be surveyed. There will be offered to you legislation designed to accomplish the purposes of such a survey.

I am sure that you are conscious—as am I—of the growing and insistent demands which are being made for greater services upon government at all levels. Almost without our knowing it government has extended into many fields in which a decade ago it had no responsibility. These things are signs of our times—

they are inherent in the age in which we live. The demand for these services cannot be escaped—and should not be disregarded. Upon governmental leaders everywhere rests—and will continue to rest—the great responsibility of charting a course which will bring to our citizens the assistance of government—and at the same time—preserve inviolate our free and competitive economy. It is not an easy task. It is a task which requires all of the skill and experience which can be brought to bear upon it—but above all—it requires a greater conviction that the public treasury must never supplant individual and local enterprise—initiative—and responsibility.

In the fields of education—health—and welfare—these new demands are the most imperative. It is apparent to all who are informed—that existing revenue sources are not adequate to meet demands now made on our government. Stop-gap legislation and temporary revenue measures are not desirable—for the problem recurs again and again—and soon our revenue laws become a patchwork which are unequal in application and unfair to segments of our economy. The time has come in Kentucky when the entire framework of our financial house must be re-examined. Perhaps it should rest upon a broader and more elaborate base than presently supports it. Perhaps rates of existing taxes should be re-examined and increased or decreased as a sound economy and expanded needs may indicate.

Not only should the financial structure of the government be examined—but also—and perhaps first—a complete examination should be made of our needs. Before the legislature next convenes—such needs can be definitely appraised. There are factors to be considered which bear strongly upon our needs—and are impossible of present appraisal. I refer to pending legislation before the national Congress—which deals with education—health—and welfare. Economic trends must be determined—and full consideration must be given to a tax program which will continue to encourage Kentucky's expanding industry.

The legislation which will be submitted to you—in this connection—would establish a committee to make a comprehensive re-examination of our needs and our means of meeting them. It would provide—for the next session of the Legislature—an intelli-

gent blue-print which may be followed in the knowledge that the maximum effort has been made to establish a wise and permanent financial structure for the state and local governments for the years which lie ahead. It would avoid ill-advised—hastily conceived—patchwork taxation programs. It would—in a large degree—avoid the recurring necessity for hastily enacted revenue measures. In my judgment—it is the wise and businesslike way to approach this problem.

In the ten days that are left to you during this legislative session, I would urge you not only to give careful consideration to the legislation which I have stated will be submitted to you tonight, but to the volume of other legislation now pending before the House and Senate that is of great importance to the forward progress of Kentucky.

Mr. Hanratty moved that the Joint Session of the General Assembly do now dissolve.

Said motion was agreed to.

The Speaker resumed the Chair and called the House to order.

Mr. Hanratty moved that the rules be suspended and the House do now proceed to the introduction of bills and resolutions.

Said motion was agreed to by a majority of the members elected.

Thereupon, bills and a resolution of the following titles were introduced, viz:

By Mr. McClain.

H. B. No. 443. AN ACT relating to certain corporations and associations subject to supervision of the Division (or Department) of Insurance, which provide services or benefits under policies or contracts of a nature similar to insurance policies, in-

cluding hospital service corporations, burial associations, and medical service corporations.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 303.010 of the Kentucky Revised Statutes is hereby amended to read as follows:

“CONSTRUCTION OF CHAPTER (1) As used in this Chapter, unless the context requires otherwise, “Director” or “Commissioner” means the Director or Commissioner of Insurance or such other officer of the state as may be designated to exercise the functions of the state in regard to insurance.

(2) As used in KRS 303.020 to 303.080, unless the context requires otherwise, “hospital service” includes bed, board, use of operating room, ordinary medications, surgical dressings, general nursing care, and other routine procedures approved by the board of health.

(3) Hospital service corporations organized under KRS 303.020 to 303.080 shall be exempt from all provisions of the insurance laws of this state except as otherwise specifically provided in KRS 303.020 to 303.080. No amendment to the insurance laws shall apply to hospital service corporations unless the amendment specifically so states.

(4) As used in KRS 303.090 to 303.120, 303.130 to 303.150, and 303.990, unless the context requires otherwise:

(a) “Association” or “burial association” means all individuals, partnerships, cooperative and other kinds of societies, corporations and organizations of every kind, which, in consideration of the payment of dues, fees, assessments or premiums, shall issue any kind of policy (as defined in paragraph (b) of this subsection) or have in effect any bylaw under which the insured is to be provided with a funeral or funeral expenses, except those described in subsection (5) of this section; and

(b) "Policy" means any policy, certificate, agreement, bond, assurance or guarantee of a funeral benefit, issued by a burial association.

(5) KRS 303.090 to 303.150 and 303.990 do not apply to fraternal or fraternal beneficiary societies, or to assessment, life and accident insurance companies operating under the laws of this state, or to any society which pays sick or disability benefits and limits its membership to a particular class of persons or to the employees of a designated employer.

(6) As used in KRS 303.160 to 303.240, unless the context requires otherwise:

(a) "Medical service" means the general and usual services rendered and care administered by doctors of medicine. It shall not include hospital services, nursing services, the furnishing of drugs, services rendered under the Workmen's Compensation Act, or services rendered to a group under a plan that is mutually acceptable to that group and to those furnishing medical service.

(b) "Medical service plan" means a plan or arrangement under which medical services are or may be rendered to a subscriber by a licensed physician and surgeon at the expense of a medical service plan corporation.

(c) "Participating physician" means a doctor of medicine licensed to practice medicine or surgery in this state under the provisions of the Medical Practice Act who agrees in writing with the medical service plan corporation to perform the medical services specified by the corporation and at such rates of compensation as will be determined by the board of directors of the corporation and who agrees to abide by the bylaws, rules and regulations of the corporation."

Section 2. Section 303.060 of the Kentucky Revised Statutes is hereby amended to read as follows:

"APPROVAL AND REGULATION OF RATES AND EXPENSES; AGENTS REGULATED BY INSURANCE LAW.

(1) The rate charged by a hospital service corporation to the

contract holders for hospital service shall at all times be subject to the approval of the commissioner.

(2) In order that a corporation may remain solvent all costs or expenses in connection with the conduct of the corporation, including salaries, commissions, expense allowances, solicitation of subscribers and overhead, shall, at all times, be subject to the approval of the commissioner. No payment shall be made by a corporation except for hospital service, or for service actually rendered in the operation of the corporation.

(3) The laws of this state pertaining to the licensing of casualty insurance agents and providing penalties for violations and for suspension and revocation of license of agents and prohibiting unauthorized insurance companies from doing business in this state, and that the contracts shall be valid nevertheless, shall apply to hospital service corporations and their agents."

Section 3. Section 303.080 of the Kentucky Revised Statutes is hereby amended to read as follows:

"REINSURANCE OR REORGANIZATION; LIQUIDATION: (1) A hospital service corporation may be wholly re-insured by, or merged or consolidated with, or converted to, an insurance company, either stock or mutual, in accordance with such plan as may have been approved by the commissioner and by a majority of the members or certificate holders who vote thereon at a meeting of such members duly held upon notice of such purpose.

(2) The commissioner shall approve any such plan unless found by him, after a hearing thereon, that:

(a) The plan does not provide to members or certificate holders benefits and financial safeguards at least equal to those theretofore existing.

(b) The plan is unfair or inequitable to such members or certificate holders, and in which event the commissioner shall specify the particulars.

(3) Such a corporation may otherwise be liquidated and may be dissolved in the same manner as provided by laws of this state relating to general business corporations."

Section 4. Section 303.230 of the Kentucky Revised Statutes is hereby amended to read as follows:

“DISSOLUTION OR LIQUIDATION. Any dissolution or liquidation of a medical service plan corporation shall be accomplished in the same manner as is provided by the laws of this state pertaining to the dissolution or liquidation of insurance companies.

Section 5. Section 303.240 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) The laws of this state pertaining to the licensing of casualty insurance agents and providing penalties for violations and for suspension and revocation of license of agents and prohibiting unauthorized insurance companies from doing business in this state, and that the contracts shall be valid nevertheless, shall apply to medical service corporations and their agents.

(2) A medical service plan corporation shall be exempt from all provisions of the insurance laws of this state, except as otherwise specifically provided in KRS 303.160 to 303.240. No amendment to the insurance laws shall apply to medical service plan corporations, unless the amendment specifically so states.

(3) Nothing in KRS 303.160 to 303.240 shall be construed to modify, vary or repeal any law now in force relating to the practice of medicine and surgery, excepting only as they are inconsistent with the provisions of KRS 303.160 to 303.240.”

By Mr. Baer.

H. B. No. 444. AN ACT to authorize communities of this Commonwealth to adopt plans and to undertake projects for the acquisitions, clearance, preparation and sale and lease of land in slum or blighted areas for development or redevelopment; to authorize communities to exercise powers therefor, including acquiring property through eminent domain or otherwise, borrowing money, issuing bonds and other obligations and giving security therefor; to authorize communities to designate or create certain public agencies to exercise such powers; to authorize

communities to furnish and contract to furnish funds, services, facilities, and property for such projects, and to obtain funds therefor by the issuance of obligations; by taxation or otherwise; and to provide that obligations issued for slum clearance or redevelopment projects shall be legal investments.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. *Short Title.*

This Act shall be known and may be cited as the Community Slum Clearance and Redevelopment Act.

SECTION 2. *Legislative Finding and Policy.*

It is hereby found and declared (a) that there exist in many communities in this Commonwealth slum areas and blighted areas (as herein defined) which constitute a serious and growing menace, are injurious and inimical to the public health, safety, and welfare of the people of the Commonwealth, and are beyond remedy and control solely by regulatory process in the exercise of the police power; (b) that such areas contribute substantially and increasingly to the spread of disease and crime and necessitate excessive and disproportionate expenditures for the preservation of the public health and safety, for crime prevention, correction, prosecution, and punishment, and the treatment of juvenile delinquency, and for the maintenance of adequate police, fire, and accident protection and other public services and facilities; (c) that this menace cannot be effectively dealt with by private enterprise without the aids herein granted; and (d) that the benefits which would result from eliminating slum conditions and conditions of blight will accrue to the inhabitants of the communities in which these conditions exist and to the inhabitants of this Commonwealth generally.

It is hereby declared (a) that it is the policy of this Commonwealth to protect and promote the health, safety, and wel-

fare of the people of the Commonwealth and particularly of the communities in which slum areas and blighted areas exist by the elimination of slum conditions and conditions of blight; (b) that the elimination of such conditions and the preparation of the land in such areas for sale or lease for development or redevelopment constitute a public use and purpose for which public money may be expended and private property acquired and are governmental functions in the interest of the health, safety, and welfare of the people of the Commonwealth; and (c) that the necessity in the public interest for the provisions hereinafter enacted is hereby declared to be a legislative determination.

SECTION 3. *Definitions.*

The following words or terms shall have the following meanings wherever used in this Act, unless a different meaning is clearly indicated by the context;

(a) "Slum area" means an area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, sanitation, or open spaces, high density of population and overcrowding, or any combination of such factors, are unsafe or unfit to occupy, are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime, injuriously affect the entire area, and constitute a menace to the public health, safety and welfare. A slum area may include lands, structures, or improvements, the acquisition of which is necessary in order to assure the proper clearance and redevelopment of the entire area and to prevent the spread or recurrence of slum conditions thereby protecting the public health, safety, and welfare.

(b) "Blighted area" means an area (other than a slum area as herein defined) where by reason of the predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, submergence of lots by water or other unsanitary or unsafe conditions, deterioration of site improvements, diversity of ownership, tax delinquency, defective or unusual conditions of title, improper subdivision or obsolete platting, or any combination of such reasons,

development of such blighted area (which may include some incidental buildings or improvements) into predominately housing uses is being prevented.

(c) "Redevelopment" means the planning or replanning, design or redesign, acquisition, clearance, development and disposal, or any combination of these, of a development area and the preparation of such area for such residential, commercial, industrial, public, recreational or other structures, works, improvements, facilities or spaces as may be appropriate or necessary. "Redevelopment" and derivatives thereof shall mean develop as well as redevelop.

(b) "Community" means any city or county.

(e) "Mayor" means the mayor or chairman of the board of trustees of a city or the county judge of a county, or the officer thereof having the duties customarily imposed upon the executive head of a city or county.

(f) "Council" means the legislative authority of a city or the fiscal court of a county.

(g) "Redevelopment project" means any or a combination of one or more of the following:

(i) Acquisition of a slum area or a blighted area (as herein defined);

(ii) Demolition and removal of structures and improvements;

(iii) Installation, construction or reconstruction of streets, utilities and other site improvements essential to the preparation of sites for uses in accordance with the development plan; and

(iv) Making the land available for development or redevelopment by private enterprise or public bodies for uses in accordance with the development plan.

(h) "Development area" means the area of a redevelopment project.

(i) "Development plan" means a plan for the redevelopment of all or any part of a development area.

(j) "Agency" means a public corporate body created pursuant to Section 4 of this Act.

(k) "Public body" means any city, county, commission, district authority or other public body or political subdivision of the Commonwealth.

(l) "Area of operation" means (i) in the case of a city, the area within such city and the area within five miles of the territorial boundaries thereof, except that the area of operation of a city under this Act shall not include any area which lies within the territorial boundaries of another city unless a resolution shall have been adopted by the council of such other city declaring a need therefor; and (ii) in the case of a county, the area within the county, except that the area of operation of a county shall not include any area which lies within the territorial boundaries of a city unless a resolution shall have been adopted by the council of such city declaring a need therefor.

(m) "Real property" includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.

(n) "Planning commission" means a city, county or joint city-county Planning and Zoning Commission or a Planning Commission established pursuant to the provisions of the KRS 100.010 to 100.990, both inclusive, having authority and responsibility with respect to the area of the community.

(o) "Bonds" shall mean any bonds, notes, interim certificates, debentures, or other obligations.

SECTION 4. *Creation of Agency, Appointment and Tenure of Members.*

If the council of any community by resolution finds and declares (1) that there exist in the community slum areas or blighted areas (as herein defined), (2) that there is need in the community for the exercise of powers, functions and duties conferred by this Act, and (3) that the exercise of such powers, functions and duties by an agency created and established pursuant to this section would be more efficient and in the public interest than the exercise of such powers, functions and duties

by the community or the housing commission of the community pursuant to Section 16 of this Act, an agency, to be known as the Slum Clearance and Redevelopment Agency of the city or county, as the case may be, shall thereupon exist for such community with the powers, duties and functions hereinafter provided.

Upon adoption of the resolution, the mayor shall be promptly notified and he shall appoint, with the approval of a majority of the council, five resident electors of the community as members of the agency.

The members who are first appointed shall be designated to serve for terms of one, two, three, four and five years respectively. Thereafter members shall be appointed as aforesaid for a term of office of five years, except that all vacancies occurring during a term shall be filled for the unexpired term. A member shall hold office until his successor has been appointed and qualified.

The agency shall elect a chairman from among its members. The term of office as chairman of the agency, unless otherwise prescribed by the council shall be for the calendar year, or for that portion thereof remaining after each such chairman is designated or elected.

The powers of each agency shall be vested in the members thereof then in office. Members of an agency or their staff shall receive their actual and necessary expenses, including traveling expenses, provided, however, that such other compensation, if prescribed, shall be paid exclusively from community funds.

For inefficiency or neglect of duty or misconduct in office, a member of an agency may be removed by the council but the member may be removed only after he shall have been given a copy of the charges at least 10 days prior to a public hearing thereon and has had an opportunity to be heard in person or by counsel.

No officer or employee of the community or of the agency who in the course of his duties is required to participate in the formulation of plans or policies for the redevelopment of a development area, or to approve such plans or policies, shall

acquire any interest in any property included within a development area within the community. If any such officer or employee owns or has financial interest, direct or indirect, in any property included within such a development area he shall immediately disclose, in writing, such interest to the agency and to the council and such disclosure shall be entered in the minutes of the agency and of the council. Failure to so disclose such interest shall constitute misconduct in office. No payment shall be made to any member or officer of an agency for any property or interest therein acquired by the agency from such member or officer unless the amount of such payment is fixed by court order in eminent domain proceedings, or unless such payment is unanimously approved by the council.

When an agency is created for any community, the council may at that time, and from time to time thereafter, appropriate such amounts of money, to the agency as it deems necessary for the administrative purposes of the agency. The administrative purposes of the agency may include staff and consultants for research, studies and surveys, designation of development areas, preparation of development plans, estimates of the cost of acquisition, clearance and conditioning of land for redevelopment, estimates of the fair use value of the land and any other administrative expenses considered necessary by the council.

Each such agency shall file with the council a detailed report of all its transactions, including a statement of all revenues and expenditures, at such intervals as the council may prescribe.

At any time after two years after the appointment of the first five members of the agency, if such agency shall not theretofore have redeveloped or acquired land for, or commenced the redevelopment of, a project, or entered into any contracts for redevelopment, the council may by resolution declare that the offices of the members of the agency shall be vacated and thereupon the capacity of the agency to transact business or exercise any power shall be suspended and shall remain suspended until the appointment of new members to the office of the agency as hereinbefore set forth in this section.

SECTION 5. *Powers of the Agency.*

Each agency created for the purpose of this Act, shall constitute a public body, corporate and politic, exercising public and essential governmental functions, and shall have the following powers in addition to the others granted:

(a) to sue and be sued; to have a seal; to make and execute contracts and other instruments necessary or convenient to the exercise of its powers;

(b) to make, and from time to time amend and repeal by-laws, rules and regulations not inconsistent with this Act to carry into effect the powers and purposes hereof;

(c) to select and appoint such officers, agents, counsel and employees, permanent and temporary, as it may require, and determine their qualifications, duties and compensation, subject, however, to the provision of its budget;

(d) within its area of operation, for purposes of redevelopment within the development area, to purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise or otherwise, any real or personal property, or any interest therein, together with any improvements thereon; to acquire by the exercise of the power of eminent domain any real property; to clear any and all buildings, structures or other improvements from any real property so acquired and to dispose of any personal property resulting therefrom; to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber (by mortgage, deed of trust or otherwise), or otherwise to dispose of any real or personal property of any interest therein at its fair value for uses in accordance with the development plan, irrespective of the cost of acquiring and preparing real property for redevelopment; to insure or provide for the insurance of any real or personal property or operation of the agency against risks or hazards; and pursuant to the provisions of Section 14 hereof to rent, maintain, manage, operate, and repair such real property;

(e) to borrow from and to accept loans and grants from the Federal Government or any agency thereof, or from any sources, public or private, for the purposes of this Act, and to pledge such security as may be required; an agency, notwithstanding the provisions of any other law, may include in any

contract for financial assistance with the Federal Government any conditions which the Federal Government may attach to its financial aid of a redevelopment project, not inconsistent with the purposes of this Act;

(f) within its area of operation, to develop as a building site or sites, any real property owned or acquired by it, and in this connection to cause streets and highways to be laid out and graded, and pavements or other road surfacing, sidewalks and curbs, and public utilities of every kind to be constructed and installed, or to close any streets according to the development plan;

(g) within its area of operation, to prepare from time to time plans for the improvement or rehabilitation of slum and blighted areas; to make, periodically, investigations and surveys pertaining to slum clearance and urban redevelopment;

(h) to invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be cancelled;

(i) to obligate lessees or purchasers of land acquired in a redevelopment project; (1) to use such land for the purpose designated in the development plan; (2) to begin the building of specified improvements within a period of time which the agency fixes as reasonable; and (3) to comply with such other conditions as in the opinion of the agency are necessary to carry out the purposes of this Act; the agency, by provision in the contract, deed or lease may make any of the purchaser's obligations covenants or conditions running with the land, whose breach shall cause the fee to revert to the agency;

(j) to exercise all or any part or combination of the powers herein granted;

(k) Nothing herein contained shall authorize such agency to construct any of the buildings for residential, commercial, industrial or other use contemplated by the development plan.

SECTION 6. *Prerequisites for Adoption of a Development Plan.*

No agency may acquire title to any land for the purpose of carrying out a development plan unless the following conditions have been met:

(a) A general or master plan of the community has been adopted by the Planning Commission of the community.

(b) A development plan for the proposed development area has been approved by the Planning Commission of the community and has been made available for public inspection. The development plan shall designate, among other things, the location, character and extent of the public and private land ownership and uses proposed within the area, such as street, sewer, public transportation, school, recreation, dwelling, business, industry and such others as may be suitable. The development plan may be made by the agency, or at the request of the agency or at the direction of the council, be prepared by the Planning Commission of the community.

(c) A public hearing held by the agency on the development plan, whereat an opportunity shall be afforded to all persons interested to be heard, either in person or by counsel. Notice of the time and place of such hearings shall be published in a newspaper of general circulation in the community not less than 10 days prior to the date set for the hearing. Notices of the hearing shall be mailed at least 10 days before the hearing, to the last known owner of each parcel of land in the development area at the last known address of such owner as shown by the records of the assessor. Such notices shall contain a description of the proposed development area by its location in relation to highways, streets, streams or otherwise. Such notices shall further state that maps, plats and particular description of the development plan, together with such zoning maps and ordinances as may relate thereto, are available for public inspection at a place to be designated in such notice. The failure of any owner to receive a copy of such notice shall not invalidate the proceedings of the agency.

(d) A finding has been made by the agency that there is a feasible method for the temporary or permanent relocation of

families displaced from the development area, and that there are or are being provided, in the development area or in other areas not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the development area, decent, safe, and sanitary dwellings for such displaced families.

(e) After public hearing, the agency has made and certified to the council the development plan and an estimate of the cost required of the community for the redevelopment of such area, for the guidance of the council in providing funds therefor, an estimate of the total cost of such redevelopment including an estimate of the cost of appraisals, the value of the real estate, and any other costs and expenses which, in the judgment of the agency may be incurred by the agency in the exercise of the powers granted in this Act, and an estimate of the revenue from the sale or lease of the property after demolition and conditioning for redevelopment, and the amount of deficit, if any, which is expected to be incurred.

(f) A finding has been made by the council:

(i) that the area is a slum area (as herein defined) or that all the following conditions exist:

(A) that the area is a blighted area (as herein defined);

(B) that a shortage of housing of sound standards and design adequate for family life exists in the community;

(C) that the need for housing accommodations has been or will be increased as a result of the demolition of residential units in slum areas under development plans;

(D) that the conditions of blight in the area and the shortage of decent, safe, and sanitary housing in the community cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, and welfare; and

(E) that development of the blighted area for predominantly residential uses is an integral part of

and essential to the program of the community for the elimination of slum areas;

(ii) that the development plan will afford maximum opportunity consistent with the sound needs of the community as a whole for the redevelopment of the development area by private enterprise;

(iii) that the development plan conforms to the general or master plan for the development of the community as a whole; and

(iv) that Federal assistance is necessary to enable the development area to be redeveloped in accordance with the development plan and funds will be available for the community share of the cost as required by the Housing Act of 1949 or other Federal acts providing Federal financial assistance, or that Federal financial assistance is not necessary and all funds will be available from other sources;

. (g) The council has approved the development plan.

SECTION 7. *Issuance of Building Permits and Certificates of Occupancy in Development Area.*

After adoption of the development plan by the council, no building permit or certificate of occupancy shall be issued for any structure or use within the area (except for construction or uses which are necessary for the immediate protection of the public health or safety) without the approval in writing by the agency, based upon a determination by the agency that the proposed construction is not inconsistent with the development plan. Upon the sale, or lease of the redevelopment project or any portion thereof by the agency, no building permits or certificates of occupancy shall be issued for any structures or uses that do not conform to the development plan.

SECTION 8. *Appeals.*

Any person, firm, corporate organization, public officer or governmental agency or department, being a party of record at any hearing conducted by the agency in connection with the designation of a development plan or any such person or entity which has applied for a building permit or certificate

of occupancy under SECTION 7 hereof, claiming to be injuriously affected or aggrieved by any action, of, or decision by, or refusal of the agency to approve such permit or certificate may appeal from such action or decision to the circuit court of the county wherein the agency is located, and jurisdiction is hereby given to such circuit court to hear and determine all questions and issues brought before it on such appeal. An appeal shall stay all action by all parties of record in the matter appealed from. Such appeal shall be taken within thirty days after notice of such action or decision has been given by the agency to the party affected by the decision of said agency, by filing in the office of the clerk of the circuit court of such county a statement of appeal, setting forth the action or decision of the agency appealed from, the date thereof, the reasons for said appeal, and attaching thereto as a part thereof a certified copy of such action or decision and asking that an order to show cause be issued against and served upon the agency. But the foregoing remedy shall not be exclusive.

After the appeal is taken the procedure shall be the same as in common law actions, except that said appeals shall have preference over other cases on the docket and may, upon the motion of any party, be set down for trial in advance of other cases. Upon filing an appeal, notice thereof must be immediately given to the agency and all parties of record, by actual notice served or by service of summons. Hearings in the circuit court shall be de novo and heard by the judge and appeals may be taken from the decision of said circuit court to the Court of Appeals in the same manner as common law cases are appealed, except that all appeals to the Court of Appeals must be made within sixty days from the date of judgment in the circuit court.

SECTION 9. *Grant of Funds by Community.*

Any community located in whole or in part within the area of operation of an agency may grant funds to an agency for the purpose of aiding such agency in carrying out any of its powers and functions under this Act. To obtain funds for this purpose, the community may levy taxes or may issue and sell its general obligation or revenue bonds. Any bonds to be issued by the community pursuant to the provisions of this section shall be issued

in the manner and within the limitations, except as herein otherwise provided, prescribed by the laws of this Commonwealth for the issuance and authorization of such bonds for public purposes generally.

SECTION 10. *Cooperation by Public Bodies.*

A public body shall have power to aid an agency within its area of operation and such aid may be authorized by a resolution or ordinance of the legislative body of such public body adopted by a majority of its members present at a meeting of such legislative body. A public body may aid an agency in the following manner and upon such terms, with or without consideration, as it may determine:

(a) Dedicate, sell, convey or lease any of its interest in any property, or grant easements, licenses or any other rights or privileges therein to an agency;

(b) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished in connection with a redevelopment project;

(c) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan public streets or ways or other public places which it is otherwise empowered to undertake;

(d) Plan or replan, zone or rezone any part of the public body; make exceptions from building regulations and ordinances; and any city may also change its boundaries;

(e) Cause services to be furnished to the agency of the character which the public body is otherwise empowered to furnish;

(f) Enter into agreements with respect to the exercise by such public body of its powers relating to the repair, closing or demolition of unsafe, unsanitary or unfit dwellings;

(g) Incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section; and

(h) Do any and all things necessary or convenient to aid and cooperate in the redevelopment of a development area.

Any sale, conveyance, lease or agreement provided for in this section may be made by a public body without appraisal, public notice, advertisement or public bidding.

SECTION 11. *Eminent Domain Proceedings.*

Whenever in the opinion of the council, land or other property, or right of way or easement over or through any property is needed by the agency in order to accomplish the purpose of this Act, it may by resolution reciting the need for such acquisition, authorize the purchase or condemnation in the name of the community, of said land or other property, or right of way or easement necessary for such purpose, and may proceed to condemn and acquire such property in the following manner:

(a) The proceedings for condemnation shall be in the circuit court of the county in which the greater part of the property sought to be condemned lies, and shall be conducted in the name of the community. Proceedings shall be commenced by filing a petition against all persons having an interest in the property, describing the property, right of way or easement sought to be condemned, upon which summons shall be issued and proceedings carried on as nearly as may be as ordinary actions at law are conducted. Nonresidents and persons under disability shall be proceeded against as provided by the Civil Code. The owners of two or more different properties sought to be condemned for the same purpose may be proceeded against in a single action, or the owners of any piece of property may be proceeded against in a separate action.

(b) At any time after the filing of the petition, the community may apply to the circuit court, or to the judge thereof if the court is in vacation, to appoint commissioners to assess the damages which the owners of the property, right of way or easement to be condemned may be entitled to receive. The court or judge shall then appoint three disinterested, impartial housekeepers of the county who are owners of land, and who shall be sworn to faithfully and impartially discharge their duties. If the appointment is made by the judge in vacation,

it shall be written order, which shall be filed with the petition in the case and may be entered of record at any subsequent term of the court, upon motion of any proper party.

(c) The commissioners shall, as early as practicable, view the property, right of way or easement proposed to be condemned, and award to the owner the value thereof. They shall also award to the owner any incidental damages resulting to his adjacent lands, considering the purposes for which it is taken, but they shall deduct from the incidental damages the value of any advantages and benefits that will accrue to such adjacent lands from the proper use of the property, right of way or easement for the purposes and uses intended. They shall return a report in writing to the office of the clerk of the circuit court, stating their award and showing separately the amount allowed for the value of the property, right of way or easement to be condemned and taken, the amount allowed for incidental damages to adjacent lands and the amount deducted for advantages and benefits to the adjacent lands. They shall make a separate report as to each separately owned parcel of property.

(d) Immediately after the commissioners have filed said report the judge of the circuit court shall by an interlocutory judgment grant and award to the community immediate possession and full and complete use and control of said land or other property and the community shall thereupon be entitled to take possession thereof and to use and control the same for the purpose for which it is being condemned as fully as if the title had been conveyed to it; however, prior to the rendition of the interlocutory judgment, the community shall be required to pay into court the sum awarded by the commissioners in their report concerning such land or property, or right of way or easement. The court shall, after having rendered said interlocutory judgment, upon motion by the community, make such orders as may be necessary and proper for the conveyance of such land or other property or property rights to the community, vesting in the community the title to the land or other property described in such condemnation proceeding, and shall cause its commissioner or a special commissioner appointed by the court to execute and deliver to the community a deed

of conveyance therefor, which deed shall be executed as nearly as practicable in accordance with the rules governing the conveyance of property by commissioners when sold under order of court.

(c) The commissioners may report at any time after summons has been duly issued or warning order attorney appointed. Thereafter, either party may, before answer is due, file written exceptions to said report, except that the community's exceptions, if any, shall be made and filed prior to the entry of said interlocutory judgment. If the exceptions are based on the ground that the damages awarded are too small or too great, the exceptions must be accompanied by an affidavit of the party stating the amount of damages that he believes would be just and reasonable, and be supported by the affidavits of two disinterested persons stating that the amount claimed by the excepting party would be just and reasonable. The difference between the damages awarded and the amount that the excepting party claims would be just and reasonable shall be deemed the amount in controversy for the purposes of appeal. Exceptions or defenses for nonresidents and persons under disability may be filed by any person authorized to make defense for such persons under the Civil Code. The court may, for proper cause, extend the time for filing exceptions and it may require the parties to plead to an issue of fact to be submitted to a jury according to the course of the common law. The sum not in controversy shall be paid or tendered to the parties defendant by the court prior to the entry of said interlocutory judgment.

(f) It is further provided that before rendering the interlocutory judgment, the court shall require the community to execute a bond, with surety to be approved by the court, conditioned upon the community paying to the parties defendant the difference between the sum paid into court and that which may thereafter be finally determined to be the value of the property rights and incidental damages, if any, if the parties defendant except to the report of the commissioners, unless the community shall have sufficient funds duly appropriated, properly allocated to that purpose, and on deposit to pay any money judgments, including all costs adjudged against the com-

munity, that may thereafter be rendered against it, and such fact or facts shall be alleged in its petition for condemnation.

(g) When exceptions have been filed by either party, and all parties have been properly summoned and are before the court and the issues made up, the circuit court shall forthwith cause the case to be docketed for trial by a jury as other common law cases are tried, and it shall, upon motion of either party, give case preference over other common law cases on the docket. In assessing damages the jury shall be governed by the rule prescribed for making of commissioners' report, and the court shall so instruct the jury. Upon request of either party the jury may be sent by the court, in charge of the sheriff, to view the property, right of way or easement sought to be condemned.

(h) If more than one piece of property is involved, owned by different persons, the jury shall render a separate verdict as to the property of each person, or the court may direct a separate trial for each piece of property owned by different persons. If the verdict of the jury is more favorable to the party excepting the award of the commissioners, the additional costs accrued by reason of the filing of exceptions and subsequent proceedings shall be taxed against the other party, otherwise such additional costs shall be taxed against the party excepting. In either event the community shall pay all costs of the proceedings other than the additional costs incurred by reason of filing exceptions.

(i) An appeal may be taken by either party in interest from the circuit court to the Court of Appeals in the manner, for any of the causes and subject to the rules provided by general laws regarding appeal from circuit court to the Court of Appeals, but not appeal or supersedeas shall suspend the right of the community to have possession of the property, easement or right of way condemned.

SECTION 12. *Bonds, Notes and Obligations of the Agency.*

Any agency shall have power to issue revenue bonds from time to time at its discretion for any of its corporate purposes under this Act. An agency shall also have power to issue re-

funding bonds for the purpose of paying or retiring bonds previously issued by it. An agency may issue revenue bonds on which the principal and interest are payable:

(a) exclusively from the income and revenues of the redevelopment project or projects financed from the proceeds of such bonds; or

(b) exclusively from such income and revenues together with grants and contributions from the Federal Government or other sources. Any such bonds may be additionally secured by a mortgage, deed of trust, or other lien or encumbrance on the property in the redevelopment project or projects financed from the proceeds of such bonds.

Neither the members of an agency or any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of an agency (and such bonds and obligations shall so state on their face) issued under this section shall not be a debt of the city, the county, the state or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction and neither the city, the county, the state nor any political subdivision thereof shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said agency.

Bonds of an agency shall be authorized by its resolution. Such bonds may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide.

The bonds may be sold at not less than par, at public sale held after notice published once at least five days prior to such sale in a newspaper of general circulation in the community. Such bonds, however, may be sold at not less than par to the Federal Government at private sale without advertisement.

In case any of the members or officers of the agency whose signatures appear on any bonds, coupons, notes or other obligations shall cease to be such members or officers before the delivery of such bonds, coupons, notes or other obligations, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds, coupons, notes or other obligations issued pursuant to this Act shall be fully negotiable.

In any suit, action or proceedings involving the validity or enforceability of any bonds of an agency or the security therefor, any such bonds reciting in substance that they have been issued by the agency to aid in financing a redevelopment project shall be conclusively deemed to have been issued for a redevelopment project and said project shall be conclusively deemed to have been planned, approved, located, and carried out in accordance with the purposes and provisions of this Act.

In connection with the issuance of bonds, an agency, in addition to its other powers, shall have power:

(a) to pledge all or any part of its gross or net revenue to which its right then exists or may thereafter come into existence;

(b) to encumber (by mortgage, deed or trust, or otherwise) all or any part of its real or personal property in the redevelopment project;

(c) to covenant against pledging all or any part of its revenues, or against encumbering all or any part of its real or personal property, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or property; to covenant with respect to its sale, leasing, or other disposition of any redevelopment project or any part thereof; and to covenant as what other, or additional debts or obligations may be incurred by it;

(d) to covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds to covenant against extending the time for the payment of its bonds or in-

terest thereon; and to redeem the bonds, and to covenant for their redemption and to provide the terms and conditions thereof;

(e) to covenant as to the amounts to be charged in the sale or lease of properties in a redevelopment project or projects, the amount to be raised from revenue each year or other period of time and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for redevelopment or other costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the money held in such funds;

(f) to prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given;

(g) to covenant as to the use of any or all of its real or personal property; and to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon and the use and disposition of insurance moneys;

(h) to covenant as to the rights, liabilities, powers and duties arising upon the breach of any covenant, condition, or obligation; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived;

(i) to vest in a trustee or trustees or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenant securing or relating to the bonds; to vest in a trustee or trustees the right, in the event of a default by said agency, to take possession of any redevelopment project or part thereof, and to collect the rents and revenues arising therefrom, or due the agency in connection therewith, and to dispose of such moneys in accordance with the agreement of the agency with said trustee; to provide for the powers duties of a trustee or trustees and to limit the liabilities thereof; and to provide the terms and conditions upon which the trustee or

trustees or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds;

(j) to exercise all or any part or combination of the powers herein granted; to make covenants other than and in addition to the covenants herein expressly authorized of like or different character; to make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the discretion of said agency, except as otherwise provided in this Act, as will tend to make the bonds more marketable notwithstanding that such covenants, acts, or things may not be enumerated herein.

The bonds, notes and other obligations of an agency are declared to be issued for an essential public and governmental purpose, and together with interest thereon and income therefrom shall be exempt from all taxes.

Notwithstanding any restrictions on investments contained in any laws of this Commonwealth, the Commonwealth and all public officers, municipal corporations, political subdivisions and public bodies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or other obligations issued by any agency, as herein defined, or issued by any community or other public body in the United States, when such bonds and other obligations are secured by a contract for financial assistance to be paid by the United States Government or any agency thereof, and such bonds and other obligations shall be authorized security for all public deposits; it being one of the purposes of this Act to authorize any persons, firms, corporations, associations, political subdivisions, bodies and officers, public or private to use any funds owned or controlled by them including (but not limited to) sinking, insurance, investment, retirement, compensation, pension and trust funds, any funds held on deposit, for the purchase of any such bonds or other obligations; provided, however, that nothing contained in this Act shall be

construed as relieving any person, firm or corporation from any duty or exercising reasonable care in selecting securities.

SECTION 13. *Acquisition of Property in Development Area.*

Upon the approval by the council of the development plan the agency shall proceed to carry out the redevelopment. In the event that a bond issue is to be submitted by the community to the voters for the purpose of providing funds to pay for the cost of the redevelopment project or any part thereof, the question of issuing bonds shall be submitted as required in KRS 66.040 to 66.070, both inclusive. The agency shall, within two years after such approval by the council or the certification of the vote on any bond issue submitted to the voters pursuant to this Act, whichever is the later, either acquire every parcel of real property within the development area not owned by a public body or by the United States of America, or institute legal proceedings to acquire it.

SECTION 14. *Disposal of Property in Development Area.*

The agency may sell, exchange, lease, or otherwise transfer real property acquired under the provisions of this Act to one or more private individuals or to public bodies, and thereafter the real property shall be used only in accordance with the limitations and conditions set forth in the development plan, or the development plan as modified under this Act. Maximum opportunity, consistent with the sound needs of the locality, shall be given private enterprise in the redevelopment of development areas. The agency shall sell, lease, exchange, or withhold for public use by the state or any public body thereof, all of the property in such development area as soon as feasible and in the public interest. Prior to any such sale or exchange of real property, the agency shall obtain appraisals made by independent appraisers of the value of such real property proposed to be sold or exchanged which appraisals shall be based upon the new uses established for such real property. These appraisals shall be used as a guide for the agency in disposing of its real property, but the agency shall not be bound thereby.

SECTION 15. *Modification of Development Plan.*

If a proposal by an agency to modify a development plan is made in writing to the planning commission and the council

of the community, the planning commission and council shall consider the proposed modification, and if they approve such modification in writing, the development plan shall be changed accordingly. No modification of a plan shall affect, without the written consent of the owner or lessee, as the case may be, any property previously sold, leased, or exchanged by the agency.

SECTION 16. *Temporary Leasing during Development.*

An agency shall have the right to lease any parcel or parcels obtained by it pursuant to its proceedings under this Act for such uses and purposes as may be deemed desirable, even though not in conformity with the development plan, during the period of the development of any project, provided, however, that no such leases shall be made for a term longer than three years or beyond the date of the completion of the redevelopment work whichever may be the shorter term.

SECTION 17. *Contracts for Work, and Protection of Labor Standards.*

Before the agency enters into any contracts for work of demolition, grading, clearing or construction of utilities or other facilities or site improvements, it shall satisfy all requirements of the law, applicable to similar contracts of the community, relating to the advertisement and acceptances of bids, execution of bonds, and awards of contracts. The agency shall also attach to and make a part of the specifications for a contract for said work, a schedule of prevailing wages, and shall conform to all the requirements of KRS 337.510 to 337.540, inclusive.

SECTION 18. *Exercise of Agency Powers by Community or Housing Commission.*

If the council within its discretion finds and determines that it would be more efficient and in the public interest for the powers, functions, and duties of an agency hereunder to be exercised by the community or the housing commission of the community, such community or housing commission shall have all of the powers, functions, rights, duties and privileges (subject to the limitations thereon) of an agency under this Act, and any powers of a public body (including a community) to assist an agency, or a project thereof, may be exercised to assist such community or housing commission or the project thereof. For such

purposes, the term "agency," as used in this Act, shall mean the housing commission or the city or county, as the case may be, unless a different meaning clearly appears from the context. If a community has, pursuant to this section, determined to exercise the powers, functions, and duties of an agency, it may delegate any of them to a department or departments of such community, or may create a special department to exercise the powers and perform the functions and duties of an agency; provided that no such department or departments shall have the power to issue the bonds or acquire title to real property, this power being reserved to the community.

SECTION 19. *Cooperation Between Communities.*

Two or more communities may jointly exercise the powers granted under this Act and in such case the planning commissions, councils, and agencies may hold joint meetings, but all public hearings shall be held in each community which is affected under this Act. By resolution finding and declaring a need therefor, the council of each of the communities may designate the agency of one of the communities to act as the agency of each of such communities and such agency shall constitute an agency created and established by and for each such community pursuant to this Act within the meaning of any provisions thereof. In this event the agency designated shall cooperate with the planning commission of each community in formulating development plans. The councils of the communities involved shall have the power to contract with each other in order to carry out the plan approved.

SECTION 20. *Additional Conferred Powers.*

The powers conferred by this Act shall be in addition and supplemental to the powers conferred by any other law.

SECTION 21. *Severability of Provisions.*

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid the remainder of the Act, or the Application of such provision to other persons or circumstances, shall not be affected thereby.

SECTION 22. Whereas, The Federal Housing Act of 1949 endeavors to eliminate substandard and other inadequate hous-

ing through the clearance of slums and blighted areas, and to provide adequate housing needed for urban and rural non-farm families of low income, and

Whereas, Legislation demands certain organization and preparation of detailed plans before application for Federal funds, and

Whereas, Federal funds are available July 1, 1950, and interested Kentucky cities should have all the time possible to prepare their application, an emergency is declared to exist, and this Act shall take effect upon its passage and the approval of the Governor.

H. B. No. 445. AN ACT relating to adoptions.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

An adult person over twenty-one years of age may be adopted in the same manner as provided by law for the adoption of a child and with the same legal effect, except that his consent alone to such adoption shall be required.

By Mr. Hanratty.

H. B. No. 446. AN ACT relating to income taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Effective, with respect to individuals and corporations reporting under the provisions of Chapter 141 of the Kentucky Revised Statutes on a calendar year basis, beginning January 1, 1950, and, with respect to such individuals and corporations reporting on a fiscal year basis, with the first fiscal year that begins on or after January 1, 1950, and continuing,

with respect to all such individuals and corporations, for a period of two full years whether calendar or fiscal:

(1) In lieu of the rate of tax imposed by KRS 141.040, corporations required by KRS 141.040 to pay tax shall be taxed at the rate of four and one-half per cent of the entire net income of the corporation, or the portion thereof taxable within this state, determined as provided by Chapter 141 of the Kentucky Revised Statutes.

(2) Individuals required to pay a tax upon net income under the provisions of KRS 141.020 shall pay an annual tax at the rate and in the manner prescribed in that section, except that upon net income, as defined in Chapter 141 of the Kentucky Revised Statutes, in excess of eight thousand dollars, the rate of tax shall be six per cent.

(3) The taxes due as computed under the provisions of KRS 141.020 or under the provisions of KRS 141.025, by a married individual living with husband or wife or by an individual who is a head of a family shall be credited with only forty dollars.

(4) In addition to those persons required by KRS 141.180 to make returns, every individual, if married and living with husband or wife, having for the taxable year a net income, as defined in Chapter 141 of the Kentucky Revised Statutes, of two thousand dollars or over or a gross income of twenty-five hundred dollars or over, shall make to the Department of Revenue the return required by KRS 141.180.

(5) In addition to those fiduciaries required by KRS 141.190 to make returns, every fiduciary acting for an individual who is married and living with husband or wife, and whose entire income from whatever source derived is in the charge of the fiduciary, shall make the return required by KRS 141.190 if the net income of the individual for the taxable year, as defined in Chapter 141 of the Kentucky Revised Statutes, is two thousand dollars or over.

Sec. 2. To the extent only of conflict with this Act, the provisions of Chapter 141 of the Kentucky Revised Statutes are suspended for the period designated in Section 1 of this

Act. Otherwise, that chapter shall remain in full force and effect, and this Act shall be interpreted, administered and enforced the same as the provisions of that chapter. The taxes provided for in this Act shall be paid, and the returns required by this Act made, at the same time and subject to the same provisions as provided in Chapter 141 of the Kentucky Revised Statutes for taxes imposed and returns required by that chapter, and any failure to comply therewith with respect to the provisions of this Act shall be penalized as provided in that chapter for similar failure of compliance.

Sec. 3. Taxes paid pursuant to the provisions of this Act shall be accounted for as other income tax revenues and deposited with the State Treasurer to the credit of the General Expenditure Fund, for general state purposes.

H. B. No. 447. AN ACT relating to education; including provisions for allocation and distribution of the school equalization fund and making appropriations for such fund and other educational purposes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 157.051 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 157.051 to 157.055:

(1) "Equalization fund" means a special fund appropriated by the General Assembly for the specific purpose of equalizing educational services in the school districts of Kentucky.

(2) "Gross assessment" means the total assessment of all property in a school district subject to local school taxes, based, in school districts levying taxes upon a city assessor's assessment, upon the final local assessment made for school taxes, or, in school districts levying taxes upon the county tax commissioner's assessment, upon the assessment as certified by the Kentucky

Tax Commission, and, in all school districts, upon an estimate made by the Department of Revenue of the franchise assessment and the assessment of other property subject to local school taxes in each school district. If such assessment has not become final by June 7 of any year, then the Department of Revenue shall on the basis of such other information as may be available make an estimate of the assessment of all property subject to local school taxes in each school district and this estimate shall be used as the gross assessment.

(3) "Potential revenue" means the sum obtained for a given school year by adding together the amounts obtained under paragraphs (a), (b) and (c) of this subsection and subtracting therefrom the amount obtained under paragraph (d) of this subsection.

(a) The revenue that may accrue by applying, to the gross assessment, the maximum tax rate authorized by the General Assembly for a school district other than for sinking fund purposes.

(b) The amount distributable to a school district on a census pupil basis as provided in Section 186 of the Constitution.

(c) The amount of any other revenue which can reasonably be anticipated to recur in a school district.

(d) The amount spent for pupil transportation during the previous school year or the amount that would be obtained by levying a twenty-five cent tax rate on property and franchise assessments, whichever is smaller.

(4) "Arithmetic mean index" means the quotient obtained when the sum of the average daily membership and the average daily attendance of public school pupils residing in a school district is divided by two.

(5) "Net ability index" means the quotient obtained when the potential revenue of a school district is divided by the arithmetic mean index of such school district.

(6) "Assessment ratio" means the ratio determined by the Department of Revenue, from sales and other data, of the

assessed value to fair cash value of property in a school district which is assessed locally and subject to a school tax levy.

(7) "Tax effort index" means the result obtained when a school district's assessment ratio is multiplied by such school district's tax rate and the product thereof is divided by a mathematical constant. The mathematical constant for the school year beginning on July 1, 1949, shall be .90 and shall increase yearly by .05 until it becomes 1.20, at which figure it shall remain until otherwise provided by law. A tax effort index of greater than *one* shall be consider as *one*.

(8) "Maximum equalization allotment" means the amount each participating district could receive from the equalization fund if all the participating districts had a tax effort index of *one*.

Sec. 2. Section 157.053 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Revenue shall furnish annually to the Superintendent of Public Instruction the gross assessment and the assessment ratio of each school district.

(2) The Superintendent of Public Instruction shall make a careful study to determine annually the net ability index for each school district in Kentucky. After all school districts in the state have been arranged in a rank order from high to low according to their net ability indices, the Superintendent of Public Instruction, with the approval of the State Board of Education, shall determine the maximum equalization allotment to each district so that when the total potential revenue of all participating districts, plus the equalization fund, is divided by the total arithmetic mean indices of all participating districts, it will give the same potential amount of money per pupil per year represented in the arithmetic mean index in each participating district.

(3) Each school district levying the maximum tax rate authorized by the General Assembly shall be allotted such part of the equalization fund as may be determined by multiplying the district's tax effort index by the district's maximum equalization

allotment, provided, that a district which maintains an assessment ratio equal to or greater than that determined for the assessment made as of July 1, 1948, and levies the maximum tax rate authorized by the General Assembly, shall receive: not less than 95 percent of the district's maximum equalization allotment for the school year beginning July 1, 1949; not less than 90 percent for the school year beginning July 1, 1950; not less than 80 percent for the school year beginning July 1, 1951; not less than 70 percent for the school year beginning July 1, 1952; not less than 50 percent for the school year beginning July 1, 1953; and, not less than 25 percent for the school year beginning July 1, 1954, and thereafter, no school district shall receive any distribution from the equalization fund unless it has a tax effort index of *one* for the year of distribution.

(4) So much of the equalization fund which would not be distributed under subsection (3), due to the failure of one or more participating districts to meet the full requirements of a tax effort index of *one* shall be applied so as to raise the state equalization level and shall be distributed in accordance with the general statistical principles set out in subsection (2) and (3).

Sec. 3. There is appropriated out of the General Expenditure Fund in the State Treasury, to the Common School Per Capita Fund, for the payment and increase of the monthly salaries of teachers and for no other purpose, the sum of \$142,500 per year for each of the fiscal years 1950-51 and 1951-52, this to be in addition to the sums appropriated to the Common School Per Capita Fund by House Bill No. 14 of the 1950 General Assembly.

Sec. 4. There is appropriated out of the General Expenditure Fund in the State Treasury, to the School Equalization Fund, for equalization of educational services in the common schools, to be expended as provided by law and regulations of the State Board of Education, the sum of \$2,057,500 per year for each of the fiscal years of 1950-51 and 1951-52, this to be in addition to the sums appropriated to the School Equalization Fund by House Bill No. 14 of the 1950 General Assembly.

Sec. 5. There is appropriated out of the General Expenditure Fund in the State Treasury, to the Department of Education, for ordinary recurring expenses of operation in rehabilitating persons disabled in industry and otherwise, the sum of \$75,000 per year for each of the fiscal years 1950-51 and 1951-52.

Sec. 6. Whereas, in order that this Act may become operative during the 1950-51 school year, and the urgent needs of many school districts thus be relieved, it is essential that this Act become effective sufficiently in advance of the commencement of the 1950-51 school year to enable the necessary determinations and certifications to be made, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

H. B. No. 448. AN ACT relating to persons performing public services or duties; including provisions concerning the compensation and expenses of public officers and employes, and of other persons performing certain public services or duties, provisions for limiting the number of deputies or assistants of certain public officers; and making appropriations.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Effective, with respect to the offices of Governor and Lieutenant Governor, on the fifth Tuesday following the regular November election in 1951, and with respect to the other offices named in this section, on the first Monday in January, 1952, the compensation of the following named officers, payable monthly out of the State Treasury, shall be the sum per annum designated for the respective offices, as follows:

Governor, \$10,000.

Lieutenant Governor, \$3,000, this to be in addition to any per diem received during sessions of the General Assembly while serving in the capacity of President of the Senate, and any compensation received while acting in the place of the Governor.

Attorney General, \$8,500.

Superintendent of Public Instruction, \$8,500.

Commissioner of Agriculture, Labor and Statistics, \$7,500.

Secretary of State, \$6,000.

State Treasurer, \$6,000.

Auditor of Public Accounts \$6,000

Clerk of the Court of Appeals, \$6,000.

Sec. 2. Beginning as of January 1, 1952, the members of the General Assembly, other than the Speaker of the House of Representatives, shall each receive as compensation twenty-five dollars per day, and the President of the Senate and the Speaker of the House of Representatives shall each receive as compensation thirty dollars per day, during their attendance on the sessions of the General Assembly. Each member of the General Assembly, and the President of the Senate, shall receive fifteen cents per mile for the necessary travel in going to and returning from the sessions of their respective Houses. This section is specifically intended to include and apply to members of the Senate elected for the terms expiring December 31, 1953.

Sec. 3. Beginning as of January 1, 1952, the Chief Clerk of the Senate and the Chief Clerk of the House of Representatives shall each receive, for filing and preserving the journals of their respective houses, pursuant to KRS 6.160, and furnishing a copy to the public printer, as required by KRS 57.160, a sum equal to \$20.00 per day for each legislative day during the session of the General Assembly.

Sec. 4. (1) Beginning with the first month that commences after the effective date of this Act, the compensation for the year 1950 being payable at the designated rate per annum for such months as remain in the year 1950, the compensation of the following named officers, payable monthly out of the State Treasury, shall be the sum per annum designated for the respective offices, as follows:

Judges of the Court of Appeals, \$9,000.

Commissioners of the Court of Appeals appointed pursuant to KRS 21.150 (1), \$7,500.

Commissioners of the Court of Appeals appointed pursuant to KRS 21.150 (2), \$5,000.

Circuit judges, \$7,500.

(2) Any commissioner of the Court of Appeals appointed pursuant to KRS 21.150 (1), who may retire or be retired after more than eight years of continuous service as such commissioner, may be compensated the same as commissioners appointed pursuant to KRS 21.150 (2), for such period as he performs duties and renders services, under appointment by the court, of the character contemplated by KRS 21.150 (2), provided that during such period he shall not engage in any way in the private practice of law.

Sec. 5. The fiscal court of any one or more counties located in any judicial district may allow and pay to the judge or judges of the circuit court of the district, out of the county treasury, such annual compensation, in addition to that paid by the state under Section 4 of this Act, as the fiscal court deems just and proper, within the constitutional limit on the compensation of circuit judges. Two or more counties in the same district may prorate or divide the additional compensation. If there are two or more judges of the circuit court in any district, any additional compensation allowed and paid under this section shall be the same as to each of the judges.

Sec. 6. Every special judge designated under KRS 23.230 or 23.250, or under subsection (2) of KRS 23.240, shall be paid for his services such sum per day as would be the equivalent of the rate of compensation received from the State Treasury by the regular judge if computed on a daily basis, and those designated under KRS 23.250 or under subsection (2) of KRS 23.240 shall be paid their actual expenses, not to exceed ten dollars per day, when acting outside the county of their residence. Claims for such compensation and expenses shall be allowed and paid as provided by law for the payment of other claims against the Commonwealth, but before such claims are allowed by the Department of Finance, the amount thereof and the number of days' services rendered on the bench, together with a statement of expenses, shall be entered upon the order book of the court over which the special judge is designated to preside, and the same shall be presented to and approved by the Chief Justice of the Court of Appeals.

Sec. 7. The maximum compensation that may be received by a Commonwealth's attorney out of the State Treasury, including the annual salary and the percentage of fines and forfeitures provided for in KRS 69.050, shall not exceed \$6,000. Counties shall have the

same authority to allow and pay additional compensation to the Commonwealth's Attorney as is conferred by Section 5 of this Act with respect to circuit judges, within the constitutional limit on the compensation of local officers.

Sec. 8. In any judicial district composed of only one county, the assistant Commonwealth's attorneys and the stenographers and district detectives for the Commonwealth's attorney, provided for by law, shall receive such compensation, payable out of the county treasury, as is fixed by the fiscal court, but such compensation, during the term of the Commonwealth's attorneys now in office, shall not be less than that fixed by law at the time this Act takes effect, and for any term thereafter the compensation for the term shall be fixed not later than the first Monday in May in the year in which Commonwealth's attorneys are elected, and shall not be changed during the term. In any judicial district composed of more than one county, for which an assistant Commonwealth's attorney, stenographer or district detective for the Commonwealth's attorney is provided for by law, the fiscal courts of the several counties shall, by joint action, exercise the powers conferred by this section upon the fiscal courts of single-county districts with respect to fixing compensation, and such compensation shall be paid out of the county treasuries of the respective counties in proportion to the amount of work attributable to each county, the proportion being certified by the Commonwealth's attorney.

Sec. 9. (1) Except as provided in subsections (2) and (3) of this section, the fiscal court of each county shall fix the compensation of every county officer and employe. For the purposes of this section, circuit court clerks and master commissioners and receivers in counties other than those containing a population of 75,000 or more, and justices of the peace and constables in all counties, shall be deemed to be county officers, and deputies or assistants of county officers shall be deemed to be county employes, but employes of county boards or commissions which are now authorized by law to fix the compensation of their employes shall not be deemed to be county employes for the purposes of this section. In the case of officers compensated from fees, or partly from fees and partly by salary, the fiscal court shall fix the maximum compensation that the officer may receive, from both sources, and also shall have authority to fix the number of deputies and assistants, and the compensation thereof, and the maximum amount that the officer may expend each year for expenses of his office. In the case of county officers elected

by popular vote, the compensation of any such officer, and of his deputies and assistants, during the term of those now in office, shall not be fixed at less than that fixed by the law in force and effect on November 1, 1949. In the case of county officers elected by popular vote, for terms commencing after the effective date of this Act, the annual compensation of the officer and of his deputies and assistants shall be fixed by the fiscal court not later than the first Monday in May in the year in which such officers are elected, and shall not be changed during the term.

(2) Nothing in this section shall apply to county tax commissioners or their deputies, assistants and expenses, in any county, or to the circuit court clerk, county court clerk, sheriff, jailer, master commissioner or receiver, and their deputies, assistants and expenses, in counties having a population of 75,000 or more.

(3) Justices of the peace serving on a fiscal court in any county, and county commissioners serving on a fiscal court in any county other than one containing a city of the first, second, third or fourth class, shall be paid for their services, out of the county treasury, not to exceed fifteen dollars per day for each day of actual attendance of the meetings of the fiscal court. The fiscal court shall fix the amount to be received within the above limit, but with the exception of the terms that are being served on the effective date of this Act, no change of compensation shall be effective as to any member of a fiscal court during his term of office. The compensation of county commissioners serving on fiscal courts in counties containing a city of the first, second, third or fourth class shall continue to be limited as provided in paragraphs (a) and (b) of subsection (1) of KRS 67.110, and nothing in this Act is intended to authorize any change in such compensation during the term of any member. County commissioners or justices of the peace shall not receive any compensation for their services on the fiscal court, other than as provided in this section or in paragraphs (a) and (b) of subsection (1) of KRS 67.110, nor shall they receive any compensation for serving on committees of the fiscal court.

Sec. 10. The fiscal court of any county is authorized to have an annual audit made of the accounts of any county officer or employe, within the meaning of Section 9 of this Act, who is compensated in whole or in part by fees, except those officers enumerated in subsection (2) of Section 9 of this Act.

Sec. 11. Nothing in this Act is intended to authorize the fiscal

court of any county to create any office or make any employment not authorized by law.

Sec. 12. Nothing in this Act is intended to repeal or in any way affect the provisions of KRS 70.170, except that if the maximum annual compensation of any sheriff is fixed by the fiscal court at a sum lower than \$5000, he shall in no event be entitled to receive for any year, under KRS 70.170, any sum which, when added to the other compensation received by him during the year, would cause his total compensation for the year to exceed the maximum compensation fixed by the fiscal court.

Sec. 13. It is not the intention of this Act to make or authorize the making of any change in the compensation of reporters for circuit courts, except that where a salary or per diem payable out of the county treasury is now fixed by law for any such reporter, the fiscal court of the county shall have the same power with respect to such salary or per diem as this Act confers upon fiscal courts with respect to county officers and employes.

Sec. 14. The legislative body of each city shall fix the compensation of every city officer and employe, except the compensation of members of the city legislative body, and in the case of city officers paid from fees, or partly from fees and partly by salary, shall fix the maximum compensation that the officer may receive. Deputies or assistants of any elective city officer shall be deemed to be city employes for the purposes of this section, but employes of city boards or commissions which are now authorized by law to fix the compensation of their employes, either with or without statutory limits, shall not be deemed to be city employes for the purposes of this section. In the case of city officers elected by popular vote, the compensation of the officer, during the term of those now in office, shall not be fixed at less than that fixed by law in force and effect on November 1, 1949. In the case of city officers elected by popular vote for terms commencing after the effective date of this Act, the annual compensation of the officer shall be fixed by the city legislative body not later than the first Monday in May in the year in which such officers are elected, and shall not be changed during the term. This section is not intended to deprive any city legislative body of any authority which it may now have by law to fix the compensation of its own members, within limits fixed by statute, except that no city legislative body may change the compensation of any of its members during his term of office.

Sec. 15. In the case of any political subdivision or local governmental unit or district other than a county or city, having a

governing body or authority composed of more than one member, such governing body or authority shall fix the compensation of every officer and employe of the political subdivision, local governmental unit or district whose compensation is payable from the funds of the political subdivision, governmental unit or district, except that in the case of officers elected by popular vote the same limitations and restrictions shall apply as are applicable under Section 14 of this Act to the fixing of compensation of city officers elected by popular vote. Nothing in this section is intended to confer any power on any governing board or authority, with respect to the compensation of its own members, that it does not specifically possess under other statutes. This section applies to school districts, but is not intended to supersede any present provision of law relating to the fixing or payment of the compensation of teachers.

Sec. 16. For the purposes of this Act, officers and employes of school districts are deemed to be officers and employes of a local governmental unit, and not of the state.

Sec. 17. Any county or city board or commission, or combined city-county board or commission, which now has authority by law to fix the compensation of its employes, either with or without statutory limits, shall have power to fix the compensation of its employes subject only to the limitations contained in this Act.

Sec. 18. With the exception of the office of mayor of any city of the first class, the compensation of any officer or employe of a county, city, political subdivision, local governmental unit or district, or of any city or county board or commission, or combined city-county board or commission, for services rendered in one or more offices or positions of employment, shall not exceed the constitutional limit for officers, which is \$7,200 per annum.

Sec. 19. Nothing in this Act is intended to change or to authorize any public officer or body to change the amount or rate of any fee or percentage prescribed by law, it being the intention of this Act, with respect to officers receiving compensation from fees or percentages, to fix or provide for the fixing of the maximum compensation that may be received by the officer, and not the sources of such compensation.

Sec. 20. Grand jurors and petit jurors in circuit court shall each be paid five dollars per day for jury service. Persons whose names are on the jury list for jury service in circuit court, or are summoned under KRS 29.280 to supply a deficiency, who appear in person in court in response to summons, who reside outside the cor-

porate limits of the city in which the court sits, and who do not claim exemption or ask to be relieved from jury service, shall receive five dollars per day for each day they are required to be and are in attendance, even though they are not sworn or accepted for jury service. When kept together over night in custody of the sheriff, petit jurors shall receive one dollar additional for each night they are kept together.

Sec. 21. The judges, clerk and sheriff of election shall receive five dollars each for each election in which they serve, including elections to fill vacancies, to be paid by the county. For delivering election returns the sheriff and the judge of the opposite political party from the sheriff shall receive in addition eight cents for each mile necessarily traveled from the place of voting to and from the place of delivery, to be paid by the county.

Sec. 22. (1) Subject to the limitations prescribed in subsection (2) of this section, and excepting officers elected by popular vote, commissioners of the Court of Appeals, employees of the General Assembly, and members of boards and commissions, the Division of Personnel in the Department of Finance shall prepare a schedule of compensation, with a minimum and maximum salary rate, and such intermediate salary rates as are deemed necessary or advisable, for the office or position of employment of every state officer and employe, including specifically the offices and positions of employment in every constitutional administrative department (the state institutions of higher learning being included within the Department of Education), statutory administrative department, independent agency, or other unit of the state government. Such schedules shall be based upon studies of the duties and responsibilities of the officers and positions and upon a comparison with rates being paid for similar or comparable services elsewhere, and in the preparation of such schedules the Division of Personnel shall ascertain and record the duties, responsibilities and authority pertaining to the various offices and positions in the state service, and classify such positions in the manner provided in KRS 42.120. No such schedule shall become effective until it has been approved by the Governor.

(2) Based upon an independent study and analysis heretofore made of the duties, responsibilities and authority pertaining to the various offices and positions in the state service, and taking into consideration the character and variety of the services of each agency involved, the maximum annual salary rates for the offices and positions in the state service hereinafter named shall be as follows:

(a) Commissioner of Finance, Commissioner of Revenue, Commissioner of Highways, Commissioner of Health, Commissioner of Welfare, Commissioner of Economic Security, Commissioner of Conservation, Reviser of Statutes, and Manager of the Kentucky State Fair, \$7,500.

(b) Commissioner of State Police, Commissioner of Banking, Commissioner of Industrial Relations, Commissioner (Director of the Division) of Insurance, Commissioner (Director of the Division) of Motor Transportation, and Director of the Legislative Research Commission, \$7,000.

(c) Commissioner of Aeronautics, Director of the Division (Commissioner) of Game and Fish, Chief of the Department of Mines and Minerals, Director of the Agricultural and Industrial Development Board, Adjutant General, and Private Secretary to the Governor, \$6,500.

(d) Offices and positions in departments and agencies other than the departments and agencies headed by one of the officers named in paragraphs (a), (b) and (c) of this subsection, and other than a department or agency headed by an officer elected by popular vote from the state at large, \$5,000.

(3) The sums designated in subsection (2) of this section are intended to be the maximum annual salary rates that may be paid in any event, and the Division of Personnel under subsection (1) of this section is authorized to fix, subject to the approval of the Governor, lower rates than those designated.

Sec. 23. The compensation of any subordinate officer or employe in any department or agency of the state government headed by a single officer shall not exceed a sum equal to the compensation payable to the head of the department or agency less \$500, except that for the years 1950 and 1951 the compensation, fixed pursuant to Section 22 of this Act, of an officer or employe in a department or agency headed by an officer elected by popular vote from the state at large may exceed this limit and may exceed the compensation payable to the head of the department or agency.

Sec. 24. Nothing in this Act is intended to authorize the increase of the compensation now fixed by law for the members of any public board or commission for their services as members of the board or commission, except members of fiscal courts to the extent authorized in subsection (3) of Section 9 of this Act.

Sec. 25. For the year 1950, any increased compensation authorized or allowed for any public officer or employe by virtue of this Act or under authority conferred by this Act shall be payable at the new rate only for such full months of the year 1950 as remain after the date this Act takes effect. In the case of officers paid wholly or in part from fees, the maximum limit on the compensation of such officer fixed by or pursuant to this Act shall be deemed to constitute his annual rate of compensation, and he shall be entitled to receive as compensation for the year 1950 only such sum as would be allowable under this section had his compensation been paid and received in the form of a monthly salary.

Sec. 26. Except as otherwise provided in this Act, and subject to the restrictions prescribed in this Act, it is the express intent of the General Assembly, in accordance with the authority granted by Section 246 of the Constitution, as amended, that any change in compensation made or authorized to be made by this Act shall apply to officers in office on the effective date of this Act, subject to the express limitation that when one change in the compensation of any officer in office on the effective date of this Act has been made or become effective by or under this Act, during his term of office, no further change in his compensation may be made or become effective during his term.

Sec. 27. (1) Except as provided in Sections 17 and 28 of this Act and in subsections (2), (3) and (4) of this section, this Act is intended to supersede any existing statute, or provision of the Civil Code or Criminal Code, and any other Act enacted at the present session of the General Assembly, fixing the compensation, or authorizing any public officer or body to fix the compensation, of any public officer or employe covered by this Act.

(2) Any public officer or body which now has authority to fix the compensation of any state officer or employe covered by Section 22 of this Act shall continue to exercise such authority, subject to the schedule and limits of compensation for the particular office or position prescribed under Section 22 of this Act.

(3) This Act is not intended to supersede any existing statute, or any Act enacted at the present session of the General Assembly, with respect to the compensation of circuit clerks, county clerks, sheriffs, jailers, master commissioners and receivers, and their deputies and assistants, in counties containing a population of 75,000 or more, or county tax commissioners, their deputies and assistants, in any county.

(4) Until such time as the new rates of compensation for the officers named in Sections 1, 2 and 3 of this Act become effective under those sections, this Act is not intended to supersede the existing statutes relating to the compensation of those officers, and this Act is not intended at any time to supersede the existing statutes relating to the compensation of the Chief Clerks of the Senate and House of Representatives except as to subsection (3) of KRS 6.230.

Sec. 28. Until such time as the public officer or body authorized by this Act to fix the compensation or the limits of compensation of a public officer or employe exercises such authority with respect to such officer or employe, the compensation of such officer or employe shall not exceed that fixed under the statutory law in force and effect prior to the effective date of this Act, or, in the case of any officer whose compensation was limited only by the Constitution and not by statute, shall not exceed the limit fixed by Section 246 of the Constitution prior to its amendment. Nothing in this Act is intended to authorize an increase of the compensation of any officer in office on the effective date of this Act, during his term of office, except where this Act makes such increase or where the public officer or body having authority under this Act to fix the compensation or the limits of compensation takes specific action to make such increase.

Sec. 29. The following sections and subsections of the Kentucky Revised Statutes are repealed, effective as of the dates respectively indicated:

KRS 6.190 (relating to compensation of members of the General Assembly), as of December 31, 1951.

KRS 6.200 (relating to compensation of the President of the Senate and Speaker of the House of Representatives), as of December 31, 1951.

Subsection (3) of KRS 6.230 (relating to the compensation of the Chief Clerks of the Senate and House of Representatives), as of December 31, 1951.

KRS 11.010 (relating to the salary of the Governor), as of the fifth Tuesday succeeding the regular November election in 1951.

Subsection (3) of KRS 12.040 (relating to compensation of heads of statutory administrative departments), as of the effective date of this Act.

Subsection (2) of KRS 12.050 (relating to compensation of state officers and employes), as of the effective date of this Act.

KRS 14.110 (relating to the salaries of the Secretary of State and Assistant Secretary of State), as of the first Monday in January, 1952.

Subsection (8) of KRS 15.100 (relating to the compensation of Assistant Attorneys General), as of the effective date of this Act.

KRS 15.160 (relating to the salary of the Attorney General), as of the first Monday in January, 1952.

KRS 21.110 (relating to expense allowances for judges and commissioners of the Court of Appeals), as of the effective date of this Act.

KRS 21.170 (relating to the salary of the Clerk of the Court of Appeals), as of the first Monday in January, 1952.

Subsection (1) of KRS 22.040 (relating to compensation of members of the Judicial Council), as of the effective date of this Act.

KRS 23.200 (relating to salaries of circuit judges), as of the effective date of this Act.

KRS 23.210 (relating to supplementing the salaries of circuit judges), as of the effective date of this Act.

KRS 23.215 (relating to expense allowances for circuit judges), as of the effective date of this Act.

KRS 23.290 (relating to the compensation of special circuit judges), as of the effective date of this Act.

KRS 25.310 (relating to the compensation of stenographers for county judges), as of the effective date of this Act.

KRS 25.250 and 25.260 (relating to the compensation of county judges), as of the effective date of this Act.

Subsection (1) of KRS 26.560 (relating to the compensation of clerks and deputy clerks of police courts), as of the effective date of this Act.

Subsections (1) and (2) of KRS 29.390 (relating to the compensation of jurors), as of the effective date of this Act.

Subsection (2) of KRS 36.120 (relating to the salary of the Assistant Adjutant General), as of the effective date of this Act.

KRS 41.040 (relating to the salary of the State Treasurer), as of the first Monday in January, 1952.

KRS 47.120 (relating to the Judicial Expense Account), as of the effective date of this Act.

KRS 64.120 and 64.125 (relating to compensation of sheriffs and their deputies in certain counties), as of the effective date of this Act.

KRS 64.160 (relating to the compensation of jailers), as of the effective date of this Act.

Subsections (2) and (3) of KRS 67.110 (relating to the compensation of members of fiscal courts), as of the effective date of this Act.

KRS 68.040 (relating to the compensation of county treasurers), as of the effective date of this Act.

KRS 69.065 (relating to the compensation of certain Commonwealth's attorneys), as of the effective date of this Act.

KRS 69.290 (relating to the compensation of assistant county attorneys), as of the effective date of this Act.

Subsections (3) and (5) of KRS 69.430 (relating to the compensation of the prosecuting attorney and assistant prosecuting attorney in cities of the first class), as of the effective date of this Act.

KRS 69.500 (relating to the compensation and expenses of city attorneys in cities of the third class), as of the effective date of this Act.

Subsection (2) of KRS 70.030 (relating to compensation of sheriffs and their deputies in certain counties), as of the effective date of this Act.

KRS 70.035 (relating to the compensation of sheriffs and their deputies in certain counties), as of the effective date of this Act.

KRS 70.561 (relating to the compensation of members of county police forces), as of the effective date of this Act.

KRS 71.080 (relating to the compensation of deputy jailers, guards and turnkeys in certain counties), as of the effective date of this Act.

Subsection (4) of KRS 83.120 (relating to the compensation of the mayor of a city of the first class), as of the effective date of this Act.

Subsection (3) of KRS 84.280 (relating to the compensation of the mayor of a city of the second class), as of the effective date of this Act.

Subsection (2) of KRS 84.320 (relating to the compensation of the city clerk and deputy in cities of the second class), as of the effective date of this Act.

Subsection (3) of KRS 85.230 (relating to the compensation of the mayor of a city of the third class), as of the effective date of this Act.

Subsection (1) of KRS 85.320 (relating to the compensation of officers of cities of the third class), as of the effective date of this Act.

Subsection (2) of KRS 86.180 (relating to the compensation of the mayor of a city of the fourth class), as of the effective date of this Act.

KRS 88.220 (relating to the compensation of officers of cities of the sixth class), as of the effective date of this Act.

Subsection (4) of KRS 89.480 (relating to the compensation of the police judge in certain cities of the fourth class), as of the effective date of this Act.

Subsection (5) of KRS 92.030 (relating to the compensation of the city treasurer and deputy in cities of the second class), as of the effective date of this Act.

KRS 116.140 (relating to the compensation of election officers), as of the effective date of this Act.

Subsection (2) of KRS 156.120 (relating to the salary of the Superintendent of Public Instruction), as of the first Monday in January, 1952.

KRS 196.440 (relating to the salaries of certain officers and employes of the Department of Welfare), as of the effective date of this Act.

Subsection (3) of KRS 246.040 (relating to the salary of the Commissioner of Agriculture, Labor and Statistics), as of the first Monday in January, 1952.

KRS 257.220 (relating to the compensation of the State Veterinarian), as of the effective date of this Act.

Subsection (4) of KRS 257.240 (relating to the compensation of the Deputy State Veterinarian), as of the effective date of this Act.

The repeal of specific sections and subsections of the statutes by this section is not intended to limit or restrict the operation or effect of the general repeal provided for in Section 27 of this Act.

Sec. 30. No public officer or employe shall receive or be allowed or paid any lump sum expense allowance, or contingent fund for personal or official expenses, except where such allowance or fund either is expressly provided for by statute or is specifically appropriated by the General Assembly.

Sec. 31. Except where the law provides that the compensation shall be paid out of the fees of the office, the fiscal court may authorize payment of compensation out of the county treasury to any county officer or employe specifically provided for by law.

Sec. 32. Where any public body is required by this Act to fix the compensation of an officer, and of his deputies and assistants, for terms commencing after the effective date of this Act, not later than the first Monday in May in the year in which such officers are elected, and the body fails to do so, the compensation of the officer, and of his deputies and assistants, shall be the same as for the preceding term.

Sec. 33. Nothing in this Act is intended to supersede any existing provision of law with respect to protection of employes under civil service against reduction of compensation.

Sec. 34. It is the intent of the General Assembly, in enacting this Act, that each part of the Act be deemed to be essentially and inseparably connected with and dependent upon every other part. The General Assembly declares that it would not have enacted any part of this Act except in connection with and as a part of the general compensation program represented by this Act, and the General Assembly does not intend that any part of this Act shall be the law if any other part is held unconstitutional.

Sec. 35. The General Assembly expressly recognizes that the compensation of judges and commissioners of the Court of Appeals, circuit judges, jurors, and election officers constitutes a necessary and essential government expense, which must be paid out of the State Treasury whether or not a specific appropriation is made, and that the amount that will be required to pay the increased compen-

sation provided for in this Act, particularly with respect to jurors cannot be anticipated with any degree of certainty; therefore the General Assembly does not make a specific appropriation for this purpose. However, there hereby is appropriated out of the General Expenditure Fund in the State Treasury, to the Governor, as a special emergency fund to be allocated by the Governor in his discretion to such budget units of the state government as may require additional funds by reason of this Act, the sum of \$100,000 per year for each of the fiscal years 1950-51 and 1951-52.

Sec. 36. This Act shall take effect on June 30, 1950.

H. B. No. 449. AN ACT relating to a study, survey and report concerning the requirements, needs, responsibilities and resources of the state government; providing for a Committee on Functions and Resources of State Government and for the furnishing of assistance and facilities by the Legislative Research Commission; and making an appropriation.

Said bill is as follows, viz:

WHEREAS, in order that the state government may function on an economically sound basis; and in accordance with sound principles of government, the needs, requirements and responsibilities of the state government should be ascertained and established pursuant to a comprehensive and coordinate plan taking into consideration the proper relationship between federal, state and local government, and the obligations of each; and

WHEREAS, the trend of expansion of the scope of state government, and the increasing demands for benefits and services through state government, particularly in the fields of education, health and welfare, have created the need for a consideration of the manner in which and the extent to which the resources of the state may and should be utilized for the purposes of state government; and

WHEREAS, the complexities of present day business and economy make exceedingly difficult the selection and adoption of fair and equitable tax measures producing sufficient revenues to meet the needs of the state; and

WHEREAS, it is desirable that a reexamination of the existing state tax structure and a study and survey of potential tax sources be made in order that the General Assembly may be fully advised in the consideration of an integrated program of revenues and expenditures of the state government;

NOW THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. There is created a committee to be known as the Committee on Functions and Resources of State Government, which shall consist of not more than twenty-five members, to be appointed by the Governor forthwith upon the taking effect of this Act. The members shall be selected so as to provide representation, by qualified persons, of industry, agriculture, labor, the professions, small business, and other occupational, commercial or civic groups or fields interested in the welfare and advancement of the state, and so that the membership shall as far as practicable represent a cross section of the economy of the state. The Governor shall designate one of the members as chairman of the committee. The members shall receive no compensation for their services, but may be reimbursed for actual and necessary expenses incurred in the performance of the functions of the committee. The committee shall meet from time to time upon the call of the chairman, at a time and place designated in the call, and shall meet at the request of the Governor at such time and place as may be designated by the Governor. The committee shall continue in existence until such time as its duties have been completed, but in no event beyond December 31, 1951.

Sec. 2. The Committee on Functions and Resources of State Government, in conjunction with the Legislative Research Commission, shall make a comprehensive study and survey of the requirements, needs and responsibilities of the state government, taking into consideration the proper functions and obligations of state government in relation to federal and local government, and the necessity of a balanced and coordinated program

of government. The committee and the commission shall further make a comprehensive study and survey of the existing tax structure of the state and of prospective and potential tax sources available to the state, including an examination of the present state taxes and the revenue derived therefrom, the tax programs of other states and the revenue derived therefrom, a comparison of the tax sources existing in this state with those existing in other states, and a survey of prospective sources of revenue with an analysis of the economic effect of the utilization thereof and an estimate of the revenue that may be produced thereby. The study and survey shall be so designated as to enable the Governor and the General Assembly to be informed as to the most feasible, equitable and economically sound program of government for the state.

Sec. 3. The Legislative Research Commission is authorized and directed to secure and provide adequate facilities, services and assistance to enable the Committee on Functions and Resources of State Government to carry out the objects and purposes of this Act.

Sec. 4. The Committee on Functions and Resources of State Government shall have authority to obtain information and to receive cooperation and assistance from any public agency, state or federal. Every state agency, at the request of the committee, shall make available to the committee such information, statistics and reports as are at the disposal of such agency, and shall cooperate with the committee to the fullest extent.

Sec. 5. The Committee on Functions and Resources of State Government, with the assistance of the Legislative Research Commission, shall prepare and submit to the Governor, at such an early date as is consistent with the accomplishment of the purposes of this Act, a report of the results of its study and survey, with recommendations, for the use and benefit of the General Assembly when next in session.

Sec. 6. To carry out the purposes of this Act, there is appropriated to the Legislative Research Commission, out of the

General Expenditures Fund in the State Treasury, the sum of \$25,000, which sum shall be available during the 1950-51 fiscal year and, without lapse, during the 1951-52 fiscal year. Authorized expenses and expenditures of the Committee on Functions and Resources of State Government may be paid out of this appropriation, on vouchers approved by the Director of the Legislative Research Commission.

By Mr. Baer.

H. B. No. 450. AN ACT relating to children.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. *Definitions*

As used in this Act, unless the context requires otherwise:

(1) "Commissioner" means Commissioner of Economic Security or his duly authorized representative;

(2) "Department" means Department of Economic Security;

(3) "Division" means the Division of Child Welfare in the Department of Economic Security;

(4) "Child" means any person who has not reached his 21st birthday;

(5) "Neglected or dependent child" means any child who is under such improper parental care and control or guardianship as to injure or endanger the morals, health or welfare of himself or others;

(6) "Abandoned child" means any child who by reason of the desertion of his parents or guardian is in destitute circumstances;

(7) "Child-caring institution or agency" means any agency or institution, other than a state institution or one operated primarily for educational or medical purposes, in which four (4) or more children, not related by blood, adoption or marriage to the person maintaining the institution, are cared for and maintained in residence for compensation or otherwise;

(8) "Child-placing institution or agency" means any agency or institution other than a state agency which arranges for the placement of children in child-caring homes or child-caring in-

stitutions, or which arranges for the placement of children for adoption;

(9) "Child welfare worker" means any employee of the Department designated as such by the Commissioner or social worker employed by a county or city who has been approved by the Department to handle, under its supervision, services to children.

Section 2. *Commissioner, Powers, and Duties*

(1) The Commissioner of Economic Security shall have sole charge of the administration of the Division.

(2) The Commissioner shall have the power and authority to adopt, amend or rescind such rules and regulations as he deems necessary or suitable for the proper administration of the functions of the Division, including qualification for the receipt of federal funds and for cooperation with other state and federal agencies. Such rules and regulations shall become effective in the manner and at the time prescribed by the Commissioner.

(3) In the administration of this Act the Commissioner shall cooperate to the fullest extent possible with any agency of this State or any other state or of the United States.

(4) The Commissioner of Economic Security is authorized, subject to the provisions of KRS Chapters 12, 42, and 45, to appoint, fix the compensation and prescribe the duties and powers of such officers and employees as may be necessary in the performance of his duties under this Act. All positions shall be filled by persons selected and appointed on a non-partisan merit basis, in accordance with merit standards established by law. The Commissioner shall not employ or pay any person who is an officer or committee member of any political party organization. The Commissioner may delegate to any such person so appointed such power and authority as he deems reasonable and proper for the effective administration of this Act.

(5) The Commissioner shall have the power and authority to elect coverage for the workers in the Division under the provisions of KRS Chapter 341, and may elect coverage for such workers under the Workmen's Compensation Law of this State. In the event such coverage is elected the payment of contributions under KRS Chapter 341 and premiums under the Workmen's

Compensation Law shall be deemed a proper cost of administration.

(6) If and when the Congress of the United States amends the Federal Social Security Act so as to extend its provisions to include state employees, the Commissioner is hereby authorized to take such actions as are necessary to extend the benefits of such act to the employees of the Division. In the event of such extension the contributions required of the Division as the employer shall be deemed to be a proper cost of administration.

(7) The salaries and expenses of the Commissioner and his staff shall be considered a proper cost of administration of this Act, to be charged to the Child Welfare and Benefit Fund in that proportion which the cost of such services rendered in the administration of this Act bears to the over-all cost of the services rendered in the administration of the Department.

Section 3. *Subpoenas, Confidential Nature of Records*

(1) In the discharge of the duties imposed by this Act the Commissioner or his duly authorized representative may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas to compel the attendance of witnesses and production of books, papers, correspondence, memoranda and other records considered necessary and relevant as evidence in connection with the administration of the Division. Such subpoena shall be served in the same manner as a subpoena issued out of a circuit court. Witnesses subpoenaed shall be allowed witnesses' fees according to the rates prescribed by KRS 421.010 for each day their attendance is actually required at a hearing.

(2) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda or other records in response to such subpoena on the grounds that the evidence required of him may tend to incriminate him or subject him to a penalty, or forfeiture. No person shall be prosecuted or subjected to any suit, penalty, or forfeiture on account of any transaction, matter, or thing concerning which he or his agent or worker is compelled, after having claimed privilege against self-incrimination, to give evidence except that such witness so testifying shall not be exempt from punishment for perjury.

(3) All letters, reports, communications, and other matters, written or oral, to the Division or any of its agents, representatives, or employees, or to any board or official functioning under this Act, which have been written, sent, or made in connection with the requirements and administration of the Division shall be absolutely privileged and shall not be the subject matter or basis for any suit for slander or libel in any court, but no person testifying before the Commissioner or his duly authorized representative, shall be exempt from punishment for perjury. Information obtained shall not be published or be open for public inspection, except to public employees in the performance of their duties, but any interested party at a hearing before the Commissioner or his duly authorized representative shall be supplied with information from such records to the extent necessary for the proper presentation of his case.

Section 4. *Destruction of records*

The Commissioner may authorize the destruction of such original reports and records as have been properly recorded or summarized in the permanent records of the Division or are no longer considered necessary to the proper administration of the Department. Such destruction or disposition shall be made only by order of the Commissioner. Any money received from the disposition of such records shall be deposited to the credit of the Child Welfare and Benefit Fund.

Section 5. *Advisory Councils*

(1) The Commissioner may appoint a State Advisory Council for Child Welfare, and such other special committees as he may from time to time deem necessary. These councils shall aid the Commissioner in formulating policies and discussing problems related to the administration of the Division and in assuring impartiality and freedom from political influence in the solution of such problems. The members of such councils shall serve without compensation, but shall be reimbursed for all necessary expenses.

Section 6. *Services to Children, Scope of Department's Responsibilities*

In addition to the other duties, functions, and responsibilities imposed by law, the Department, through its authorized repre-

sentatives, shall have general supervision and management of all matters contained in KRS 199.350 to 199.370 and shall, wherever possible:

- (1) Locate and plan for all children who are dependent, neglected, abandoned or in danger of becoming delinquent;
- (2) Cooperate with and assist the juvenile courts of the various counties;
- (3) Assist circuit courts through services to children whenever requested by the court; and
- (4) Perform such other services as may be deemed necessary for the welfare of children.

Section 7. *Disposition of Abandoned, or Dependent or Neglected Children*

(1) When any child is found to be abandoned, or neglected or dependent or in danger of becoming delinquent, the court may, if the home where the child is found is a suitable place for the child, allow the child to remain in the home subject to the visitation of a child welfare worker.

(2) If the person having custody of any such child consents thereto, or is unfit, unable or unwilling to care for, protect, or discipline the child, and it is for the interest of the child that such child be taken from the person having its custody, the court may cause the child to be placed in a suitable home, or to be boarded out when provision for payment of board has been made, or make the child a ward of the court and arrange for its admission to an institution for the care of neglected or dependent children that will receive the child. Children so placed in such homes or institutions shall be subject to the visitation and supervision of a child welfare worker.

(3) The court having made any child who is abandoned, neglected or in danger of becoming delinquent its ward shall not arrange for its admission to any institution receiving delinquent children unless provision is made to separate delinquent from abandoned or neglected or dependent children.

(4) Any child made a ward under this section shall be a ward for such time during its minority as the court prescribes, and the court may set aside or modify its order at any time.

Section 8. KRS 199.410 is amended to read as follows:

(1) The provisions of KRS 199.380 to 199.400 shall not affect or apply to boarding homes in which children under the care, custody or control of the Department, or receiving aid from the Department, are being boarded, and which have been approved by the Department as meeting the standards of the Department for placement, nor shall the provisions of KRS 199.380 to 199.400 affect persons caring for and providing for children related to them by blood or marriage.

(2) KRS 199.380 to 199.400 shall apply only to counties containing a city of the second class.

Section 9. *Fund and Accounts*

(1) There shall be in the State Treasury a special fund known as the Child Welfare and Benefit Fund which shall be administered separate and apart from all public money or funds of this State. The fund shall consist of all money appropriated by this State, all money received from the United States or any agency thereof and all money received from any other source for the child welfare functions administered by the Department. All money deposited or paid into this fund is hereby appropriated and shall be available to the Commissioner for expenditure consistent with the provisions of this Act and KRS Chapter 195.

(2) The State Treasurer shall maintain within the fund three (3) separate accounts:

(a) An administrative account to which shall be deposited all money appropriated by this State, for the administration of the child welfare functions of the Department;

(b) A benefit account to which shall be deposited all money appropriated by this State, and all money received from the United States or any agency thereof for the purpose of providing care, maintenance or treatment for children; and

(c) A miscellaneous account to which shall be deposited all money received from the United States or any agency thereof or from any other source for the administration of the child welfare functions of the Department.

(3) All money in the benefit account and miscellaneous account shall be continuously appropriated and available to the

Commissioner without respect to fiscal years. A general statement that all continuing appropriations are repealed shall not be construed as repealing this subsection.

(4) The Commissioner is authorized to direct the transfer of all or any part of such money in the miscellaneous account to either of the other two (2) accounts for expenditure consistent with the provisions of subsection (2) (a) and (2) (b) of this section or such money in the administrative account as is not required for administrative purposes to the benefit account for the care, maintenance and treatment of children.

Section 10. *Petition for Adoption*

(1) Any adult person who is a resident of this State or who has resided in this State for twelve (12) months next before filing, may file a petition for leave to adopt a child in the circuit court of the county in which the petitioner resides.

(2) If petitioner is married, the husband or wife must join in a petition for leave to adopt a child unless the petitioner is married to a natural parent of the child to be adopted, except that if the court finds that the requirement of a joint petition would serve to deny the child a suitable home, such requirement may be waived.

(3) No petition for the adoption of any child under the age of sixteen (16) shall be filed until after the child has lived continuously in the home of the petitioner for at least three (3) months immediately prior to the filing of the petition.

Section 11. *Parties Defendant; Process*

(1) The following persons shall be made parties defendant in an action for leave to adopt a child:

(a) The child to be adopted;

(b) The natural living parents of a child under twenty-one (21), if the child is legitimate and its mother if the child is born out of wedlock, provided that no natural parent need be made a party defendant in the event the parental rights of such parent have been terminated under Sections 23 to 26 of this Act;

(c) The child's guardian, if it have one;

(d) If the care, custody and control of the child has been transferred to the Department, any other individual, institution or agency, then the Department, such other individual, institution or agency shall be named a party defendant.

(2) Each party defendant shall be brought before the court in the same manner as provided in other civil cases except that if the child to be adopted is under fourteen (14) years of age and the Department, individual, institution or agency has custody of such child, the services of process upon such child shall be had by serving a copy of the summons in such action upon the Department, individual, institution or agency, any provision of Section 52 of the Civil Code of Practice to the contrary notwithstanding.

(3) If the child's natural living parents, if the child is legitimate, or its mother if the child is born out of wedlock, are parties defendant no guardian ad litem need be appointed to represent the child to be adopted.

Section 12. *Contents of Petition*

(1) The petition shall allege:

(a) The name, date and place of birth, place of residence and mailing address of each petitioner and if married, the date and place of their marriage;

(b) The name, date and place of birth, place of residence and mailing address, if known, of the child sought to be adopted;

(c) Relationship, if any, of the child to each petitioner;

(d) Full name by which the child shall be known after adoption;

(e) A full description of the property, if any, of the child so far as it be known to the petitioner;

(f) The names of the parents of the child and the address of living parent, if known, provided the name of the natural father of a child born out of wedlock shall not be given, or if certified copies of orders terminating parental rights are filed as provided in subsection (2) of this section, the names of any parent whose rights have been terminated shall not be given;

(g) The name and address of the child's guardian, if any, or of the Department, institution or agency having legal custody of the child;

(h) Any further facts necessary for the location of the person or persons whose consent to the adoption is required, or whom Section 11 requires to be made a party to or notified of the proceeding; and

(i) If any fact herein required to be alleged is unknown to the petitioners, such lack of knowledge must be alleged.

(2) There shall be filed with the petition any sworn consent or consents to adoption and certified copies of any orders terminating parental rights.

Section 13. *Consent, Who Must Give*

(1) No adoption shall be granted without the sworn consent of the living parent or parents of a legitimate child or the mother of the child born out of wedlock, except that such consent of the living parent or parents shall not be required if:

(a) Such parent or parents have been adjudged incompetent and such judgment shall have been in effect for not less than one (1) year prior to the filing of the petition for adoption;

(b) The parental rights of such parents have been terminated under Sections 23 to 26; or

(c) The living parents are divorced and the parental rights of one parent have been terminated under Section 23 and consent has been given by the parent having custody and control of the child.

(2) A minor parent who is a party defendant may consent to an adoption but a guardian ad litem for such parent shall be appointed.

(3) In the case of a child twelve (12) years of age or older, the consent of the child shall be given in court, provided that the court in its discretion may waive this requirement.

(4) Notwithstanding the provisions of subsection (1) of this section, an adoption may be granted without the consent of the natural living parents of a child if it is pleaded and proved as a part of the adoption proceedings that any of the provisions of subsections (1) or (2) of Section 23 of this Act exist with respect to such child.

Section 14. *Investigation and Report*

(1) Upon filing a petition for the adoption of a minor child the Clerk of the Court shall forward a copy of the petition to the Department. The Department or any agency or institution designated by it, shall, to the extent of available facilities, verify the allegations of the petition, make an investigation of the matter and report its findings in writing to the court. The report shall show, among other things:

(a) Why the natural parent, if living, desires to be relieved of the care, support and guardianship of such child;

(b) Whether its proposed adoptive parents are financially able and morally fit to have the care, support and training of such child;

(c) The race and the physical and mental condition of such child in each instance so far as this can be determined; and

(d) Whether the adjustment of the child in the home is satisfactory.

(2) The report of the Department or designated agency or institution shall be submitted to the court within ninety (90) days after the copy of the petition is forwarded to the Department, provided that if the Department or designated agency or institution is unable to make the report it shall immediately notify the court of its inability to conduct an investigation, and the court may designate some other agency or suitable person to make the necessary investigation, or for good cause the court may extend the period for filing the report required in this section.

Section 15. *Order of Adoption*

(1) If, after the hearing of the case which shall be private and the filing of the required consent or consents, the court finds that the facts stated in the petition were established and that all legal requirements relating to the adoption have been complied with, it shall enter an order setting forth all jurisdictional facts and directing that a judgment of adoption be entered adjudging that from and after the date of the entry thereof, the child shall be deemed the child of the petitioners, for the purposes set forth in Section 16.

(2) The court shall not enter an order of adoption of a minor child unless the court finds that the petitioners are of good moral character, of reputable standing in the community and of ability to properly maintain and educate the child, and that the best interest of the child will be promoted by the adoption and that the child is suitable for the adoption.

Section 16. *Judgment of Adoption and Legal Status of Adopted Child*

(1) After the entry of the order of adoption provided for in Section 15 of this Act, the court shall enter a judgment of adoption in which judgment the name of the child shall be changed

to conform with the prayer of the petition and the judgment, including the caption, shall contain only the adopted name of the child, without any reference whatsoever to its former name.

(2) Any child adopted pursuant to the provisions of this Act shall be considered, for the purposes of inheritance and succession and for all other legal considerations, the natural, legitimate child of the parents adopting it. A child so adopted shall be freed from all legal obligations of maintenance and obedience to its natural parents, except that where the adopting parent of the child is married to the natural parent of the child, the relation of the child to that natural parent shall not in any way be altered by the adoption and the rights and obligations of the natural parent and the adopting parent to the child shall be the same as if the child were the natural child of both the natural parent and the adopting parent. The judgment of adoption shall include the applicable provisions of this subsection.

(3) The adoptive parents of a child shall inherit from the child in the same manner as if the child had been born of lawful wedlock to the adoptive parents.

(4) If the adoptive parents do not survive the adoptive child, all property of the deceased adoptive child, in the absence of lawful issue, shall descend under the general law of descent and distribution as if the child were the natural child of the adoptive parents.

(5) Nothing in this section shall prevent an adoptive child from inheriting from its natural parents.

(6) The Department shall be notified of any action of the court with respect to entering a judgment granting an adoption, the annulment of an adoption and the denial or dismissal of a petition for adoption.

Section 17. *Annulment of Adoptions*

(1) Whenever a child adopted under this Act reveals definite traits of ethnological ancestry different from those of the adoptive parents, and of which the adoptive parents had no knowledge or information prior to the adoption, a petition setting forth such facts may be filed by the original petitioner or the Department at any time within five (5) years after such adoption with the court which decreed the adoption and if upon hearing the facts set forth in such petition they are established,

the said court may enter a decree of annulment of the adoption and setting aside any or all rights or obligations which may have accrued by reason of said adoption.

(2) After the expiration of two (2) years from the date of the entry of judgment of adoption, the validity thereof shall not be subject to attack in any procedures, collateral or direct, by reason of any irregularity in procedures had pursuant to this Act.

Section 18. *Disposition of Child if Adoption Not Adjudged*

(1) If for any reason whatsoever a petition for adoption of a minor child be dismissed or the judgment of adoption annulled, the following disposition shall be made of the child.

(a) If the child is, or was, prior to the filing of the petition, in the care, custody and control of the Department, individual, institution or agency, then the child shall be returned to the custody of the Department or such individual, institution or agency; and

(b) Otherwise the court shall certify the case to the Juvenile Division of the County Court of the county where the adoption proceeding is pending for appropriate action and disposition. Said county court shall advise the Department of the pendency of such action.

Section 19. *Appeal*

Any party to any adoption proceeding shall have the same right of appeal to the Court of Appeals of Kentucky as in other equity actions.

Section 20. *Disclosure of Information*

(1) The files and records of the court in adoption proceedings shall not be open to inspection by persons other than parties to such proceedings, their attorneys, and representatives of the Department, except upon order of the court expressly permitting inspection. No person having charge of any adoption records shall disclose the names of any parties appearing in such records or furnish any copy of any such records, except upon order of the court which entered the judgment of adoption. The clerk of the circuit court shall set up a separate docket and order book for adoption cases and these files and records shall be kept locked.

(2) After entry of an adoption judgment in which there is provided a change of name, or where the status of the child is

illegitimate, the clerk of the circuit court shall promptly report to the Division of Vital Statistics of Kentucky full information as called for on forms furnished by the Division of Vital Statistics, necessary to make a new birth certificate conforming to the standard birth certificate form. Upon receipt of this information, the Division of Vital Statistics shall cause to be made a new record of the birth in the new name and it shall be filed with the original certificate, and the original certificate shall be stamped with the words, "CONFIDENTIAL—subject to copy or inspection only on written order of Court".

(3) The new certificate shall set forth the new name, if any, of the adopted child, the names of the adoptive parents and such other information deemed necessary in accordance with rules and regulations promulgated by the Division of Vital Statistics in the issuing of birth certificates for adopted children. If no birth certificate is on file for a child born in Kentucky, the Division of Vital Statistics shall prepare a certificate of birth in accordance with the regular procedure for issuing the birth certificate for a child whose original certificate is on file. The Division of Vital Statistics shall furnish to the clerks of the circuit courts the necessary forms to carry out the provisions of this section.

(4) Thereafter when any copy of the certificate of birth of any child is issued it shall be a copy of the new certificate of birth except when an order of the court granting the judgment of adoption shall request the issuance of the copy of the original certificate of such child's birth.

(5) If any judgment of adoption is reversed, modified or vacated in any particular, the clerk of the circuit court shall notify the Department and the Division of Vital Statistics of such reversal or modification and the effect of same, and thereupon such division shall make such changes, if any, in its records as may be necessary by such reversal or modification.

Section 21. *Savings Clause*

Nothing in this Act shall affect adoption proceedings pending under former laws on the effective date of this Act.

Section 22. *Advertisement Soliciting Children for Adoption Forbidden*

(1) No person, corporation or association shall advertise

in any manner that it will receive children for the purpose of adoption nor shall any newspaper published in the Commonwealth of Kentucky nor any other publication which is prepared, sold, or distributed in the Commonwealth of Kentucky contain an advertisement which solicits children for adoption or solicits the custody of children.

(2) No person, agency or institution not licensed by the Department, may charge a fee or accept remuneration for the procurement of any child for adoption purposes.

Section 23. *Cause for Termination; Action, Who May Bring; Jurisdiction*

(1) In a proceeding involving a neglected or abandoned child, as defined in Section 1 of this Act, the circuit court may terminate all parental rights of the parents of such child, and declare the child to be a ward of the State, and may vest the care, custody and control of the child in the Department, or in any licensed child-caring or child-placing agency or institution, if facilities are available to receive the child, if it is pleaded and proved in a private hearing that the parents have abandoned or deserted the child, or have substantially and continuously or repeatedly refused, or being able have neglected, to give the child parental care and protection, or that the child is neglected and that the parents have been adjudged mentally incompetent to retain their parental rights and such judgment has been in effect for not less than one (1) year.

(2) If the circumstances described in subsection (1) of this section exist with respect to only one of the two legitimate parents, the parental rights of that parent may be terminated, in which case the child shall not be declared to be a ward of the State, unless with the voluntary consent of the other parent.

(3) In an action to terminate parental rights under this section the parents, if the child is legitimate, or the mother if the child is born out of wedlock, must be personally summoned; or where personal service cannot be made, must be constructively summoned as provided in the Civil Code of Practice.

(4) The court may be convened at any time wherever the judge thereof may be found within his district, irrespective of the regular term, for the purpose of terminating parental rights under this section and shall complete the same as soon as possible.

(5) Proceedings under this section may be instituted upon petition by the Department, any probation officer, any state or local law enforcement officer, any county or commonwealth's attorney or a natural parent.

Section 24. *Appeals*

A judgment terminating parental rights, made pursuant to Section 23 of this Act, shall be final, subject to the right of appeal to the Court of Appeals as provided by law for appeals in equity cases.

Section 25. *Voluntary Termination*

(1) The parents of any child, or the surviving parent where one parent is deceased, or in the case of a child born out of wedlock, the mother, may present to the judge of any circuit court in this State, a written petition setting forth facts alleging that such parents, parent or mother, as the case may be, (a) is unable to provide proper parental care for such child; and (b) is willing to relinquish all parental rights to such child, and alleging that the Department or a licensed child-caring or child-placing agency or institution which is authorized to place children for adoption, has the facilities to accept the care of the child or in the absence of such facilities, some suitable person is willing to accept the care of the child.

(2) The petition shall either be accompanied by a statement, signed and sworn to by an authorized representative of the Department or the licensed agency or institution, that facilities exist to receive the care, custody and control of the child, or such facts shall be made known in the presence of the court by such a representative, or in the absence of such facilities, the signed statement of the individual willing to accept the care of the child.

(3) If it is proved to the satisfaction of the court that termination of parental rights and commitment to the Department or licensed institution, agency or suitable person will be for the benefit of the child, the court may order the child to be so committed and the parental rights of the natural parents terminated.

Section 26. *Order of Termination; Effect of*

Any order terminating the parental rights of any person under this Act shall be an ex parte order, and the order, includ-

ing the caption, shall contain only the name of the child, without any reference whatsoever to the names of the parents whose rights have been terminated. Such order shall be duly recorded in the order book of the circuit court and a certified copy of the order given to the Department and to the institution or agency if the child is accepted for placement for adoption.

(2) Where parental rights have been terminated pursuant to this Act, all legal relationship between the parents and child shall cease to exist, the same as if the relationship of parent and child had never existed, except that the child shall retain the right to inherit from its parents under the laws of descent and distribution.

Section 27. *Licenses, Requirements, Application for.*

(1) On and after July 1, 1950, no person, association or organization shall conduct, operate or maintain any child-caring or child-placing institution or agency without having a license to do so issued by the Department.

(2) Licenses issued the agency or institution shall be valid until revoked by the Department provided that each licensed agency or institution shall be visited and inspected by a person authorized by the Department at least once each year and a complete report of such visit or inspection be filed with the Department. Each license issued shall specify the type of service the licensee is authorized to perform. The Commissioner may adopt regulations establishing standards of care and service for child-caring institutions and child-placing institutions and agencies relating to the sanitary and hygienic conditions, the facilities available for each child, the diet provided, the safety of the child from fire and other accidents and hazards, and such other factors as may be necessary to promote the welfare of children cared for or placed by such agencies and institutions.

(3) Each agency or institution licensed under this Act shall keep a record containing:

(a) The names, ages, present and former residences of all children received;

(b) The names, residence and occupation so far as is known, of the parents;

(c) The dates of the reception, placing out for adoption or

foster care, together with the names, occupation and residence of the persons with whom the child is placed;

(d) The date and cause of termination of its custody of each child; and

(e) A brief history of each child until he shall have reached the age of eighteen (18) years or shall have been adopted or discharged according to the law.

All records regarding children or facts learned about children and their parents and relatives by any licensed agency or institution shall be deemed confidential in the same manner and subject to the same provisions as similar records of the Department. The information thus obtained shall not be published or be open for public inspection except to authorized employees of the Department or of such licensed agency or institution in the performance of their duties.

(4) If the Department or authorized person is unable to make the necessary investigation or inspection for issuance of a permanent license to any such agency or institution prior to July 1, 1950, a provisional license shall be issued subject to the completion of the necessary investigation or inspection.

If such inspection or investigation reveals that the agency or institution does not meet the standards prescribed for licensing such agency or institution, the provisional license shall remain in effect for a period prescribed by the Commissioner but not to exceed twelve (12) months from the date the agency or institution was first notified of its failure to meet such standards.

(5) Applications for licenses shall be made to the Department and no agency or institution shall be refused a license nor have its license revoked by reason of failure to meet prescribed standards until after the expiration of a period not to exceed twelve (12) months from the date of the first official notice that standards have not been met.

Section 28. *Child-Caring Institutions*

Any licensed child-caring institution or agency may contract to provide care and maintenance for a child in accordance with the terms of its license. Any licensed child-caring institution or agency may receive children committed to its custody and provide care and services for the child until the child is discharged from custody pursuant to law.

Section 29. *Child-Placing Institutions*

A licensed child-placing institution or agency may place children in a child-caring institution or home for care and maintenance, or may place children for adoption if specifically authorized by its license so to do. The institution or agency shall keep and maintain careful supervision of all children under its care and of children placed by it in child-caring homes, and its agents shall visit such homes as often as may be necessary to promote the welfare of the children.

Section 30. *Revocation of Licenses*

(1) The Department may revoke a license under this Act for any condition which would have caused a denial of the license in the first instance. The Department may refuse to issue a license in any case where the applicant is not found to possess the qualifications prescribed by the Commissioner.

(2) In any case where the Department proposes to revoke or to refuse to issue a license, written notice shall be given to the licensee or applicant, stating the proposed action and grounds therefor, and notifying the licensee or applicant that such license will be revoked or refused unless the applicant or licensee makes application for a hearing before the Commissioner within thirty (30) days of such notice. If application for such hearing is made, the Commissioner shall set a time for the hearing, of which ten (10) days' notice shall be given to the licensee or applicant, and at the hearing the licensee or applicant shall be entitled to be heard in person or by counsel, and to present witnesses. Following the hearing the Commissioner shall render a decision in writing, setting forth his findings of fact and conclusions of law, and affirming, modifying or setting aside the findings of the Department and shall send a copy thereof to the licensee or applicant by registered mail.

(3) The decision may be reviewed in the circuit court of the county in which the institution or agency is located, by action commenced within thirty (30) days after receipt of the copy of the decision, and in such action the findings of fact made by the Commissioner shall be conclusive if supported by any competent evidence.

Section 31. *Penalties*

(1) Any person who violates any of the provisions of Sections 3, 20, and 22 or Sections 27 to 30 of this Act or any rule or regulation under such sections the violation of which is made unlawful shall be fined not less than \$500.00 nor more than \$2000.00 or imprisoned for not more than six (6) months or both. Each day such violation continues shall constitute a separate offense.

(2) Any person who willfully violates any other of the provisions of this Act or any rule or regulation under it, the violation of which is made unlawful under the terms of this Act, and for which no other penalty is prescribed in this Act, or in any other applicable statute, shall be fined not less than \$20.00 nor more than \$200.00 or imprisoned for not more than thirty (30) days or both.

Section 32. *Authority to Study Laws*

The Legislative Research Commission shall make a survey of existing laws relating to child welfare in Kentucky, and on or before December 1, 1951 shall report to the General Assembly and the Governor making recommendations as to necessary changes in such laws to provide a comprehensive, effective and complete Children's Code.

Section 33. *Repealers*

Sections 196.060, 199.130, 199.360, 391.080, and 405.250 to 405.380 of the Kentucky Revised Statutes are hereby repealed. Any other provision of law in conflict with the provisions of this Act are hereby repealed to the extent of such conflict.

By Mr. Smith.

H. B. No. 451. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. An excise tax of five cents shall be paid on each sale at retail of a contraceptive device.

Sec. 2. (1) The tax shall be paid by the purchaser and shall be collected by the seller.

(2) The seller shall by the tenth day of each month make a return, under oath, to the Department of Revenue, on such forms as it may prescribe, setting forth the number of such devices sold and accompanied by a remittance for the amount of the tax collected.

Sec. 3. Any person who fails to report and remit the tax collected by the required date shall pay a penalty of ten percent of the amount of the tax.

Sec. 4. Any person who violates any of the provisions of sections 1 and 2 of this Act shall be fined not less than fifty nor more than five hundred dollars.

Sec. 5. The revenue derived from this tax shall be paid into the State Treasury and credited to the Common School Per Capita Fund.

By Mr. Holsclaw.

H. B. No. 452. AN ACT relating to annual report by insurance companies other than life; amending sections 136.340 and 136.350 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 136.340 of the Kentucky Revised Statutes is amended to read as follows:

Every stock insurance company, other than life, doing business in this state shall, on or before the first day of March of each year, return to the Director of the Division of Insurance a statement under oath of all amounts paid to the company or its representative, whether designated as premiums or otherwise, for insurance or services incident thereto, on property or risks in this state during the preceding calendar year or since

the last returns were made, including amounts received for reinsurance on Kentucky risks from unauthorized companies, and shall at the same time pay into the State Treasury a tax of two dollars upon each one hundred dollars of such amounts paid to the company, less amounts returned on cancelled policies and policies not taken.

Sec. 2. Section 136.350 of the Kentucky Revised Statutes is amended to read as follows:

(1) All mutual companies other than life doing business under this law shall pay into the State Treasury on or before the first day of March in each year, a tax of two percent of all amounts paid to the company or its representative, whether designated as premiums or otherwise, for insurance or services incident thereto, including amounts paid for membership or policy dues or fees, on property or risks in this state during the preceding calendar year, including amounts received for reinsurance on Kentucky risks from unauthorized companies.

(2) In addition to the foregoing tax, mutual fire companies shall pay an annual tax as prescribed for stock fire companies by KRS 136.360.

(3) In computing premiums upon which tax is to be paid there shall be deducted, in both direct and reinsurance business, return premiums on cancelled policies and policies not taken, and dividends paid or credited to policyholders.

(4) The provisions of this section shall not apply to domestic mutual companies, cooperative or assessment fire insurance companies.

By Mr. Hayes.

H. B. No. 453. AN ACT relating to proceedings of circuit courts.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 28.050 of the Kentucky Revised Statutes is amended to read as follows:

Every clerk shall from his minutes draw up the proceedings of each day in a plain, legible manner, which, after being corrected as ordered by the court, and read in an audible voice, shall be signed by the presiding judge, except orders signed by any special judge may be entered upon the order book and the signature of such judge typed thereon, provided such order has been endorsed: "This is the judgment of the Court" and signed by the attorneys in the case in which such order was entered.

By Messrs. Sheehan and Ruh.

H. B. No. 454. AN ACT relating to tax bills, requiring the taxpayer's address to appear thereon.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 133.220 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Revenue annually shall furnish to each county clerk tax bill forms designed for adequate accounting control sufficient to cover the taxable property on the rolls. These tax bills shall be furnished not later than ten days after the Kentucky Tax Commission has rendered its certification. The county annually shall furnish the county clerk with sufficient tax bill forms for his use in the preparation of tax bills for all taxpayers who are liable for a poll tax and who own no property assessed for taxation.

(2) After receiving the forms the county clerk shall make out for the use of the sheriff or collector a correct tax bill for each taxpayer in the county whose property has been assessed and whose valuation is included in the certification provided in KRS 133.180. If the bills are bound the cost of binding shall be paid out of the county levy. Each tax bill shall show the

rate of tax upon each one hundred dollars worth of property for state, county and school purposes; the name and address of the taxpayer; the number of acres of farm land and its value; the number of lots and their value; the amount and value of notes and money; the value of mixed personal property; the county poll; the school poll; the school tax; and the total amount of taxes due the state, county, school fund and other levies. The county clerk shall attest each bill by signing it officially. Provision shall be made for the sheriff to have a stub, duplicate or other proper evidence of receipt of payment of each tax bill.

(3) Tax bills prepared in accordance with the certification of the Kentucky Tax Commission shall be delivered to the sheriff or collector by the county clerk before September 15 of each year. The clerk shall take a receipt showing the number of tax bills and the total amount of tax due each taxing district as shown upon the tax bills. The receipt shall be signed and acknowledged by the sheriff or collector before the county clerk, filed in the county court, and recorded in the order book of the county court in the manner required by law for recording the official bond of the sheriff.

Ordered that said bills be printed and referred to the Committee on Rules.

A resolution of the following title was introduced, viz:

H. Res. No. 69. A JOINT RESOLUTION for the benefit of officers and employes of the Senate and House of Representatives; and declaring an emergency.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That there is hereby appropriated from the Legislative Session Fund additional allowances to cover necessary expenses for the following employes and officers of the Senate and House of Representatives, viz: Assistant Clerks, Enrolling Clerks, Sergeant-at-Arms, Doorkeepers, Cloakroom

Keepers, Janitors and Pages, to that compensation provided in KRS 6.230, the sum of Twenty-one Thousand Four Hundred Ninety-eight Dollars (\$21,498).

Section 2. That the Chief Clerk of the Senate shall requisition and the Commissioner of Finance shall draw a warrant for the sum of \$9,510.00 on the State Treasurer of the Commonwealth of Kentucky in favor of the Chief Clerk of the Senate. Such Chief Clerk shall forthwith distribute such expense allowances on the basis of the number of days that such employes and officers served during the regular session of the General Assembly in the year 1950, the rate per day being computed by said Chief Clerk and the Committee on Committees of the Senate on a pro rata basis of the amounts authorized to be paid them by KRS 6.230.

Section 3. The Chief Clerk of the House of Representatives shall requisition and the Commissioner of Finance shall draw a warrant for the sum of \$11,988.00 on the State Treasurer of the Commonwealth of Kentucky in favor of the Chief Clerk of the House of Representatives. Such Chief Clerk shall forthwith distribute to the employes and officers of the House of Representatives such expense allowances on the basis of the number of days that such employes and officers served during the regular session of the General Assembly in 1950, the rate per day to be computed by the said Chief Clerk and the Speaker of the House of Representatives on a pro rata basis of the amounts authorized to be paid them by KRS 6.230.

All Acts or parts of Acts in conflict herewith to the extent of such conflict are hereby repealed.

WHEREAS, the General Assembly will within a short time adjourn and the employes and officers will depart for various sections of the state, an emergency is hereby declared to exist, and this resolution shall be effective from and after its passage and approval by the Governor of the Commonwealth.

Ordered that said resolution be printed and referred to the Committee on Rules.

Mr. Hanratty moved that the House do now recess for thirty minutes.

Said motion was agreed to.

And then the House recessed.

Thirty minutes having expired, the Speaker resumed the Chair and called the House to order.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed a bill which originated in the Senate of the following title, viz:

S. B. No. 217. AN ACT relating to the sale of alcoholic beverages.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 244.290 of the Kentucky Revised Statutes is amended to read as follows:

No premises for which there has been granted a license for the sale of distilled spirits or wine at retail shall be permitted to remain open for any purpose between midnight and 8 a.m., or at any time during the twenty-four hours of a Sunday, or during the hours the polls are open on any regular, primary, school or special election day, provided, that if a licensee provides a separate department with his licensed premises capable of being locked and closed off, within which is kept all stocks of distilled spirits and wine, and all fixtures and apparatus connected with his business as a licensee, and said department is kept locked during the times mentioned above, he shall be deemed to have complied with this section; except that the city council, board of aldermen, or other municipal legislative body of cities of the first, second, third, or fourth class in which traffic in distilled

spirits and wine is permitted under Chapter 242 shall have the exclusive right and power, by ordinance duly enacted, to establish the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries, and except further that the fiscal court of each county in which cities of the first, second, third, or fourth class are located shall have the exclusive right and power to establish the hours and times in which distilled spirits and wine may be sold over that portion of the county which lies without the corporate limits of such cities, except any portion in which distilled spirits and wine are prohibited from being sold. Provided, however, that no distilled spirits or wine may be sold in any portion of the counties containing cities of the first, second, third, or fourth class during the twenty-four hours between 6 a.m., Sunday and 6 a.m., Monday, and that no distilled spirits or wine may be sold on any such election day while the polls are still open; and provided, also that all stocks of distilled spirits and wine must be kept locked during the hours which the licensee is prohibited from selling same.

Sec. 2. Section 244.480 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in subsection (2), no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of 7 p.m. and 6 a.m. on any week day except Saturday, when the hours of deliveries shall be between 6 a.m. and midnight. No retailer shall sell, give away or deliver any malt beverages between midnight and 6 a.m. or at any time during the twenty-four hours of a Sunday or during the hours the polls are open on an election day.

(2) The legislative body of a city of the first, second, third, or fourth class in which traffic in malt beverages is permitted by KRS Chapter 242, shall have the exclusive power subject to subsection (3), by ordinance, to establish the times in which malt beverages may be sold within its jurisdictional boundaries. The fiscal court of each county in which a city of the first, second, third, or fourth class is located shall have the exclusive power, subject to subsection (3), to establish the times in which malt beverages may be sold in that portion of the county which

lies without the corporate limits of such a city, except any portion in which malt beverages are prohibited by KRS Chapter 242 from being sold.

(3) Notwithstanding subsections (1) and (2):

(a) The hours so fixed by the legislative body of a city of the first, second, third, or fourth class, and by fiscal courts, shall not prohibit the sale, gift or delivery of any malt beverages between 6 a.m. and midnight during week days; and

(b) No malt beverages shall be sold on any election day while the polls are still open.

Ordered that said bill be printed and referred to the Committee on Rules.

Mr. Hanratty moved that the rules be suspended for the purpose of allowing a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Committee on Rules, to which the same had been referred, reported bills of the following titles, viz:

H. B. No. 446. AN ACT relating to income taxation.

H. B. No. 447. AN ACT relating to education; including provisions for allocation and distribution of the school equalization fund and making appropriations for such fund and other educational purposes.

H. B. No. 448. AN ACT relating to persons performing public services or duties; including provisions concerning the compensation and expenses of public officers and employes, and of other persons performing certain public services or duties, provisions for limiting the number of deputies or assistants of certain public officers; and making appropriations.

H. B. No. 449. AN ACT relating to a study, survey and report concerning the requirements, needs, responsibilities and

resources of the state government; providing for a Committee on Functions and Resources of State Government and for the furnishing of assistance and facilities by the Legislative Research Commission; and making an appropriation.

With the expression of opinion that same should pass.

Whereupon, said bills were each and severally read at length for the first time and

Ordered placed in the Calendar.

Mr. Hanratty moved that the rules be suspended for the purpose of introducing a resolution.

Said motion was agreed to by a majority of the members elected.

Thereupon, a resolution of the following title was introduced, viz:

By Mr. Steers.

H. Res. No. 70. A JOINT RESOLUTION authorizing and directing the placing of a plaque on the desk occupied by Mrs. J. Lee Moore, the first woman member in the Senate of the Commonwealth of Kentucky, and making an appropriation.

Said resolution is as follows, viz:

WHEREAS, Mrs. J. Lee Moore is the first woman to serve in the Senate of the Commonwealth of Kentucky; and

WHEREAS, by her distinguished service, Mrs. Moore has reflected great credit upon her sex, the General Assembly, and the Commonwealth of Kentucky; and

WHEREAS, it is only fitting that recognition and tribute be accorded her;

NOW THEREFORE

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That the State Property and Buildings Commission be directed to secure a small bronze plaque in recognition of and as tribute to the service of Mrs. Moore and place it at the desk at which she serves.

Sec. 2. That a sum sufficient to carry out the purposes set forth herein is appropriated from the General Expenditure Fund of the State Treasury.

Ordered that said resolution be printed and referred to the Committee on Rules.

CALENDAR

The House took up for consideration from the Calendar bills and a resolution of the following titles, viz:

H. B. No. 156. AN ACT relating to Fire Insurance Rates.

H. B. No. 266. AN ACT to repeal the tax on the sale of admission to places of amusement or entertainment, including admission to motion picture theatres, the same being accomplished by repealing Sections 138.010, 138.020, 138.030, 138.040, 138.050, 138.060, 138.070, 138.080 and 137.030 and subsections (1) and (2) of Section 138.990 of the Kentucky Revised Statutes.

H. B. No. 264. AN ACT relating to the compensation of court-appointed attorneys.

H. Res. No. 52. A RESOLUTION authorizing the payment to the estate of Clarence Miller, deceased, of a claim of said Clarence Miller for expenses incurred as Commissioner of Finance of the Commonwealth of Kentucky, and appropriating the necessary sum to pay said claim out of the General Fund.

H. B. No. 420. AN ACT relating to the qualifications and licensing of dentists.

H. B. No. 197. AN ACT providing that certain types of employment shall not constitute "covered employment" under the Unemployment Compensation Act.

H. B. No. 51. AN ACT relating to poultry and hatching eggs.

S. B. No. 126. AN ACT relating to public improvements and the financing thereof in cities other than those of the first class.

H. B. No. 126. AN ACT to amend and re-enact Section 145 of the Constitution of the Commonwealth of Kentucky.

S. B. No. 31. AN ACT relating to school building funds, with particular reference to taxes for building fund purposes.

H. B. No. 94. AN ACT relating to the compensation of marshals of county police forces; amending Section 70.560 of the Kentucky Revised Statutes.

H. B. No. 246. AN ACT relating to a tax on a judgment decreeing a divorce.

H. B. No. 378. AN ACT relating to compulsory school attendance, amending Section 159.150 and subsection (1) of Section 159.990 of the Kentucky Revised Statutes.

H. B. No. 418. AN ACT relating to the transportation of persons for hire.

H. B. No. 170. AN ACT relating to cigarette taxes, amending subsection (1) of Section 138.140 of the Kentucky Revised Statutes and making an appropriation.

S. B. No. 154. AN ACT relating to contracts and agreements required to be in writing.

S. B. No. 171. AN ACT relating to administration and enforcement of the law with respect to securities; abolishing the Division of Securities in the Department of Business Regulation and creating a Division of Securities in the Department of Banking; providing for a revolving trust or agency fund for securities administration and enforcement within the Department

of Banking Revolving Trust or Agency Fund Account; and providing for a transfer of appropriations.

S. B. No. 180. AN ACT relating to the ad valorem tax for state purposes upon unmanufactured agricultural products.

S. B. No. 184. AN ACT relating to motor vehicles including the registering and licensing of manufacturers, dealers and operators of motor vehicles.

S. B. No. 191. AN ACT amending Section 148.200 of the Kentucky Revised Statutes, relating to the Old State Capitol Park.

H. B. No. 426. AN ACT relating to the State Board of Health, amending Section 211.040 of the Kentucky Revised Statutes.

H. Res. No. 45. A JOINT RESOLUTION granting to W. J. Curtis the right of sepulture in Blue Licks Battlefield State Park, with provisions for a suitable plaque to mark his grave.

H. B. No. 320. AN ACT to create a court of continuous session in the Thirty-Fifth Judicial District composed of Pike County alone.

H. B. No. 247. AN ACT to amend and re-enact Section 586 of the Kentucky Civil Code of practice.

H. B. No. 106. AN ACT relating to the excise tax on pari-mutuel betting at running and trotting horse tracks; amending Section 138.510 of the Kentucky Revised Statutes so as to provide for increase of the tax; and providing for the disposition of the revenue from the tax.

H. B. No. 267. AN ACT to provide for civil service and pensions for county employees.

S. B. No. 99. AN ACT relating to fire prevention and protection and declaring an emergency to exist.

H. B. No. 101. AN ACT relating to juvenile affairs; providing, among other things, for jurisdiction of courts in juvenile and related matters; for court clerks, stenographers, and commissioners; for the handling and disposition of juvenile matters; for advisory boards; for a State Commission on Juvenile Affairs; for probation officers; and making an appropriation.

S. B. No. 124. AN ACT relating to cities of the third class and amending subsection (6) of Section 92.150, Kentucky Revised Statutes, 1948 Edition.

H. B. No. 331. AN ACT relating to the fees of sheriffs.

H. B. No. 303. AN ACT amending the law relating to holidays, so as to include as a holiday St. Patrick's Day (March 17).

S. B. No. 50. AN ACT relating to meetings of the legislative bodies of cities of the fourth class.

H. B. No. 144. AN ACT relating to the distribution of the House and Senate Journals, amending Section 57.310 of the Kentucky Revised Statutes.

H. B. No. 352. AN ACT relating to members of the police department in cities of the fourth class.

H. B. No. 359. AN ACT relating to absent voting.

H. B. No. 390. AN ACT relating to the registration of motor vehicles.

H. B. No. 411. AN ACT relating to candidates for public positions and jobs.

H. B. No. 441. AN ACT providing that in any county having a population of less than seventy-five thousand and in which the county clerk shall have had the bond required of him by law executed by an incorporated surety company, the county clerk shall, in certain instances, have a claim against the state for the amount of the premium paid by him.

Ordered that said bills and said resolution be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bills and said resolution be dispensed with and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills and said resolution having been dispensed with, said bills and said resolution were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 211. AN ACT relating to the preparation and dissemination of information concerning roads and highways in the Commonwealth; and authorizing limited expenditures therefor; and making Chapter 57 of the Kentucky Revised Statutes inapplicable to the provisions contained herein.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Department of Highways may purchase space in magazines, newspapers, and other publications and may cause to be made and circulated all maps, prints, plans, lithographs, engravings, photographs, drawings, art work, and other specialized work deemed necessary in the dissemination of information concerning its roads and highways.

Section 2. The Department of Highways, with the ap-

proval of the Governor, may expend an amount not in excess of \$250,000.00 a year for the purposes set out in Section 1 hereof.

Section 3. The provisions of Chapter 57 of the Kentucky Revised Statutes shall not be applicable or controlling in the expenditure of this fund.

Mr. Hubbard moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Edward O. Bridgers	Thomas R. Duncan
Bill Adams	J. D. Buckman, Jr.	Mitchell S. Fannin
Edgar Arnett	Mrs. M. E. Burnett	Henry C. Hale
Sidney Baer	Charles W. Burnley	C. A. Hammons
Clarence J. Barnum	Alex Calvert	James P. Hanratty
C. E. Baumgardner	Stanley Carter	George F. Harris
Leonard T. Bean	Paul Combs	Paul E. Hayes
John D. Beatty	R. Josh Cosby	John A. Head
Fred Beshear	B. H. Crider	Harold G. Helm
L. E. Bradley	Owen Deering	E. R. Hilton

Woodrow W. Hollan	G. Lee McClain	Jesse H. Shelton
Chester J. Holsclaw	Jack McPherron	Forest Smith
W. M. Horn	Alton Mitchell	John M. Spaulding
Richard R. Hought	Emmett G. Moore	J. Claude Stacy
Durham W. Howard	Walter R. Moorman	Roy Steers
Maurice G. Howard	C. S. Nabb	Raymond D. Stigall
Robert N. Hubbard	Dr. C. E. Palmore	Mrs. Thelma Stovall
Silas Jacobs	James H. Polsgrove	W. R. Stringer
Paul S. Jonas	Leonard W. Preston	Egbert V. Taylor
Barkley Jones	W. R. Reasor	M. G. Thompson
William Jones	Carl J. Ruh	Rev. T. H. Tinsley
James W. Lambert	Amos Runyan	Ralph N. Walter
Jesse H. Lawrence	Dr. Roy Sanders	Fred M. Warns
Mrs. J. T. Linton	LeRoy Saylor	Harry Lee Waterfield
A. L. (Chick) Love	Roy Searcy	Morris Weintraub
True Mackey	Paul E. Shannon	G. F. Williamson
Damon Majors	Gus Sheehan, Jr.	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 280. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That any state of the United States of America or any political subdivision thereof shall have the right to sue in the courts of Kentucky to recover any tax which may be owing to it when the like right is accorded to the Commonwealth of Kentucky and its political subdivisions by such state, whether

such right is granted by statutory authority or as a matter of comity.

Mr. Hayes moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Mrs. M. E. Burnett	C. A. Hammons
Bill Adams	Charles W. Burnley	James P. Hanratty
Edgar Arnett	Alex Calvert	George F. Harris
Sidney Baer	Stanley Carter	Paul E. Hayes
Clarence J. Barnum	Paul Combs	John A. Head
C. E. Baumgardner	R. Josh Cosby	Harold G. Helm
Leonard T. Bean	B. H. Crider	E. R. Hilton
John D. Beatty	Owen Deering	Ray Holbrook
Fred Beshear	G. I. Drury	Woodrow W. Hollan
L. E. Bradley	Thomas R. Duncan	Chester J. Holsclaw
Thomas L. Britton	R. C. Estep, Sr.	W. M. Horn
Charles J. Bronston	Mitchell S. Fannin	Durham W. Howard
J. D. Buckman, Jr.	Henry C. Hale	Robert N. Hubbard

Silas Jacobs	Walter R. Moorman	John M. Spaulding
Paul S. Jonas	C. S. Nabb	J. Claude Stacy
Barkley Jones	Dr. C. E. Palmore	Roy Steers
William Jones	James H. Polsgrove	Raymond D. Stigall
Jesse H. Lawrence	Leonard W. Preston	Mrs. Thelma Stovall
Mrs. J. T. Linton	W. R. Reasor	W. R. Stringer
Homer E. Losey	Carl J. Ruh	Egbert V. Taylor
A. L. (Chick) Love	Amos Runyan	M. G. Thompson
Harry K. Lowman	Dr. Roy Sanders	Ralph N. Walter
True Mackey	LeRoy Saylor	Fred M. Warns
Damon Majors	Roy Searcy	Harry Lee Waterfield
G. Lee McClain	Paul E. Shannon	Morris Weintraub
Jack McPherron	Gus Sheehan, Jr.	G. F. Williamson
Alton Mitchell	Jesse H. Shelton	Charles W. Wirsch
Emmett G. Moore	Forest Smith	—83

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 365. AN ACT relating to the examination of persons who are, or alleged to be, insane or feeble-minded.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 202.100 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) When the petition mentioned in KRS 202.040 has been properly filed with the clerk of the court, the court shall appoint two physicians to examine the defendant and to certify to the court as to their findings in the case, provided that if the petition mentioned in KRS 202.040, is for the inquest of one alleged

to be feeble-minded, the court shall appoint two physicians or one physician and one certified clinical psychologist licensed under the provisions of KRS Chapter 319 to examine the defendant and to certify to the court as to their findings in the case.

(2) Where possible, the physicians or physician selected shall have made a special study of feeble-mindedness and mental diseases. The examiners, either physicians or physician and certified clinical psychologist, shall be entitled to a fee of three dollars each for such examination and certification, to be paid by the county in which the commitment is made, upon a certified copy of an order of allowance made by the court holding the inquest.

Sec. 2. Section 203.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) Legal residents of the state who have become public charges in other states and have been returned to Kentucky because they have been adjudged insane or feeble-minded by the state returning them, may be immediately admitted to a state institution at the request of any health officer. If no health officer is available for the purpose, the superintendent of the Kentucky institution may receive such patient directly from the out-of-state official who has him in custody.

(2) Immediately upon admission the superintendent shall notify the circuit court, or the county court if the circuit court is not in session, accompanying the notice with a petition for an inquest, but holding the patient in custody until the inquest is ordered by the court; however, if the admission be to a mental hospital, the court instead of appointing physicians to make the examination as provided in KRS 202.100 and 202.110 shall admit as evidence the affidavit of the superintendent and clinical director, or a staff physician acting in the latter capacity, of the institution in which the patient has been confined, that the defendant is insane (psychotic); if the admission be to an institution for the care of the feeble-minded, the court instead of appointing physicians to make the examination as provided in KRS 202.100 and 202.110 shall admit as evidence the affidavit of the superintendent, if he be a physician or a licensed clinical

psychologist, and the clinical director if there be one and if not, a staff physician or staff licensed certified psychologist, of the institution in which the patient has been confined, that the defendant is feeble-minded.

(3) No superintendent may receive such a patient from another state until he has been notified by the Director of the Division of Hospitals and Mental Hygiene that the person's legal residence has been investigated and verified by the county judge of the county in which residence is claimed.

Mr. Baer moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Fred Beshear	Mrs. M. E. Burnett
Edgar Arnett	L. E. Bradley	Charles W. Burnley
Sidney Baer	Thomas L. Britton	Alex Calvert
Clarence J. Barnum	Charles J. Bronston	Stanley Carter
C. E. Baumgardner	J. D. Buckman, Jr.	Paul Combs

R. Josh Cosby	James W. Lambert	LeRoy Saylor
Owen Deering	Jesse H. Lawrence	Roy Searcy
G. I. Drury	Mrs. J. T. Linton	Gus Sheehan, Jr.
Thomas R. Duncan	Homer E. Losey	Jesse H. Shelton
Mitchell S. Fannin	A. L. (Chick) Love	Forest Smith
Henry C. Hale	Harry K. Lowman	John M. Spaulding
C. A. Hammons	True Mackey	Roy Steers
James P. Hanratty	Damon Majors	Raymond D. Stigall
George F. Harris	G. Lee McClain	Mrs. Thelma Stovall
Paul E. Hayes	Jack McPherron	W. R. Stringer
Harold G. Helm	Alton Mitchell	Egbert V. Taylor
Ray Holbrook	Emmett G. Moore	M. G. Thompson
Woodrow W. Hollan	Walter R. Moorman	Rev. T. H. Tinsley
Chester J. Holsclaw	C. S. Nabb	Ralph N. Walter
Richard R. Houpt	Dr. C. E. Palmore	Fred M. Warns
Durham W. Howard	James H. Polsgrove	Harry Lee Waterfield
Robert N. Hubbard	Leonard W. Preston	Morris Weintraub
Paul S. Jonas	W. R. Reasor	G. F. Williamson
Barkley Jones	Carl J. Ruh	Charles W. Wirsch
William Jones	Amos Runyan	-74

There voted in the negative—

J. Claude Stacy

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 369. AN ACT amending Section 149.300 of the Kentucky Revised Statutes, relating to setting of fires near woodland areas, or brushland areas.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 149.300 of the Kentucky Revised Statutes is amended to read as follows:

During the months of March, April, May, October, November and December, even though the precautions required by KRS 149.290 shall have been taken, it shall be unlawful for any person to set fire to, or to procure another to set fire to, any brush, leaves, grass, debris, or field containing dry grass or other inflammable material capable of spreading fire, located in or within three hundred feet of any woodland or brushland, except between the hours of 4:30 p.m. and twelve o'clock midnight, or when the ground is covered with snow.

Mr. Tinsley moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Mr. Love moved that said bill be laid on the table.

Said motion was disagreed to.

Mr. Tinsley moved that the vote by which the Previous Question on said bill was agreed to be reconsidered.

Said motion was agreed to.

Thereafter, such reconsideration.

Mr. Tinsley moved that said bill be laid on the Clerk's desk.

Said motion was agreed to.

Mr. Drury moved that the rules be suspended and the privilege of the floor extended to the Honorable E. F. Pritchard, Sr., a former member of this body.

Said motion was unanimously agreed to.

Mr. Steers moved that the rules be suspended and Sammie Napier be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

Mr. Steers moved that the rules be suspended and Wally Rather be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 311. AN ACT relating to the payment of expense allowances to certain county officers and employes in counties containing a city of the third class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In each county containing a city of the third class and having a county road engineer, there shall be paid out of the county treasury the sum of thirty-five dollars per month each to the county attorney, the county road engineer and to each member of the fiscal court, including the county judge, which sum is hereby declared to be the reasonable equivalent of the minimum expense incurred by each of the above officers in performing services in connection with the establishment and maintenance of roads within the county, and which sum is intended to constitute substantial reimbursement for the expenses so incurred.

Mr. Bernam Adams moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Mitchell S. Fannin	Damon Majors
Edgar Arnett	Henry C. Hale	G. Lee McClain
Sidney Baer	James P. Hanratty	Jack McPherron
Clarence J. Barnum	George F. Harris	Emmett G. Moore
C. E. Baumgardner	Paul E. Hayes	Walter R. Moorman
Leonard T. Bean	John A. Head	C. S. Nabb
John D. Beatty	Ray Holbrook	James H. Polsgrove
Fred Beshear	Chester J. Holsclaw	W. R. Reasor
L. E. Bradley	W. M. Horn	Carl J. Ruh
Edward O. Bridgers	Richard R. Houpt	John M. Spaulding
Charles J. Bronston	Robert N. Hubbard	Mrs. Thelma Stovall
J. D. Buckman, Jr.	Silas Jacobs	W. R. Stringer
Mrs. M. E. Burnett	Paul S. Jonas	Egbert V. Taylor
Charles W. Burnley	William Jones	M. G. Thompson
Alex Calvert	Mrs. J. T. Linton	Rev. T. H. Tinsley
Stanley Carter	Homer E. Losey	Ralph N. Walter
R. Josh Cosby	A. L. (Chick) Love	Fred M. Warns
Owen Deering	Harry K. Lowman	Morris Weintraub
G. I. Drury	True Mackey	G. F. Williamson

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Those who voted in the negative were—

Thomas L. Britton	James W. Lambert	J. Claude Stacy
C. A. Hammons	Alton Mitchell	Roy Steers
Woodrow W. Hollan	Dr. C. E. Palmore	Harry Lee Waterfield
Durham W. Howard	Leonard W. Preston	Charles W. Wirsch
Barkley Jones		

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Resolved that the title thereof be as aforesaid.

Mr. Bernam Adams moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 349. AN ACT relating to the practice of optometry, amending Section 311.010 and repealing Sections 311.140 to 311.240 of the Kentucky Revised Statutes, and creating new sections of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act, unless the context requires otherwise:

(1) "Board" means the Kentucky Board of Optometric Examiners.

(2) (a) "Practice of optometry" means the examination or diagnosis of the human eye, to ascertain the presence of abnormal conditions or functions which may be diagnosed, corrected, remedied or relieved, or the application or prescriptions of lenses, prisms, exercises, or any physical, mechanical, physiological or psychological therapy, or the employment of any means, for the purpose of detecting any disease or pathological condition of the eye, or the effects of any disease or pathological condition of the eye which may have any significance in a complete optometric diagnosis of the eye or its associated structures.

(b) Opening an office, or announcing to the public a readiness to do any of the acts mentioned in this subsection constitutes practicing optometry.

(c) The practice of optometry does not include the sale of spectacles, eye-glasses or lenses only as merchandise in a duly established mercantile establishment.

Sec. 2. No person shall:

(1) Practice or attempt to practice optometry without a license from the board, registered in the county in which the holder resides.

(2) Use any designation in connection with his name tending to imply that he is a practitioner of optometry unless he has a license from the board, registered in the county in which he resides as provided in section 6 of this Act.

(3) Falsely impersonate any optometrist.

(4) Advertise by any means prices for a discount on or specific terms of payment for eyeglasses, spectacles or accessories thereto, ophthalmic lenses, frames or mounting, or by use of the phrases "free examination," "moderate prices," "guaranteed glasses," "satisfaction guaranteed" or any words of similar import.

(5) Publish, directly or indirectly, any fraudulent, false or misleading statement as to the skill or method of practice of any person engaged in or about to engage in the practice of optometry, or with reference to any article or the sale of any article used in connection therewith.

Sec. 3. An applicant for a license to practice optometry shall be of good moral character and at least twenty-one years of age at the time of making the application. The application shall be accompanied by evidence satisfactory to the board that the applicant is a graduate of and has a diploma from a reputable optometric college, school or department of a reputable university, rated as acceptable by the board. The board shall rate optometric colleges, schools or departments of a university, or accept the ratings issued by accredited bodies approved by it.

Sec. 4. Applicants for the practice of optometry may present their credentials by mail or proxy upon forms furnished by the board, and shall receive due notice of the place and date of the examination. Every license certificate shall be signed by the president and secretary-treasurer and authenticated by the seal of the board. An examination for the practice of optometry shall be held at least semi-annually.

Sec. 5. (1) The fee for each examination to practice op-

tometry, including the certificate, shall not exceed twenty-five dollars.

(2) Each optometrist who desires to continue to practice shall annually, during July, pay to the secretary-treasurer of the board a renewal fee to be fixed by the board, but not to exceed ten dollars. For this he shall receive a renewal of his certificate.

(3) Any optometrist who fails to have his license renewed shall forfeit his right to practice after sixty days from the time notice of such failure has been mailed to his last address by the secretary of the board.

Sec. 6. Every optometrist shall register his license with the county clerk of the county in which he resides. The certificate, so registered, shall authorize its holder to practice optometry.

Sec. 7. (1) The board may suspend, revoke or refuse to issue any license to practice optometry for any of the following causes:

(a) Presentation to the board of any license certificate or diploma illegally or fraudulently obtained, or the practice of fraud or deception in passing an examination.

(b) The conviction of a felony involving moral turpitude.

(c) Chronic or persistent inebriety or addiction to a drug habit to an extent that disqualifies from practicing with safety to the people.

(d) Other grossly unprofessional or dishonorable conduct of a character likely to deceive or defraud the public.

(2) It may also revoke any optometrist's license for:

(a) Practicing as an itinerant or peddling from door to door, establishing a temporary office or practicing optometry outside or away from his regular office or place of business.

(b) Committing any gross immorality or fraud, or making any false statement.

(c) Employing, procuring or inducing any person not holding a license to practice optometry or any branch of medicine or aiding or abetting such person to practice optometry or any branch of medicine.

(d) Advertising superiority of performance of professional service or seeking patronage by advertising prices for eyeglasses,

spectacles, ophthalmic lenses, frames, mountings or optometric devices.

(e) Seeking patronage by advertising free optometric services or free examination, making any statement or advertising or claiming to guarantee any optometric service or any eyeglasses, lenses, frames or mountings.

(f) Seeking patronage by means of solicitors, canvassers or agents, or by publishing, directly or indirectly, any false, fraudulent or misleading statements as to skill or method of practice of any person in the practice of medicine or optometry.

(g) Seeking patronage by means of radio, handbills, posters, circulars, newspapers, periodicals, or signs more than six inches in height, that set forth more than the name, profession, title, location, phone number, and office hours of the optometrist, and the phrases "eyes examined" and "contact lenses fitted."

(h) Seeking patronage by the use of a neon sign at any place.

(3) Nothing in this section shall prevent any optometrist from establishing branch offices if such offices are fully equipped with the instruments necessary to make an optometric examination and if every such office is in charge of a licensed optometrist.

(4) No license may be refused, suspended or revoked except as provided in this section.

Sec. 8. Proceedings to revoke or suspend a license may be taken by the board from the matters within its knowledge or upon the information of another. If the informant is a member of the board, the other members shall constitute the board for the purpose of judging the accused. Every accusation shall be in writing, verified by some person familiar with the facts charged in it. Three copies shall be filed with the secretary-treasurer of the board. Upon receiving the accusation the board shall, if it considers it sufficient, make an order setting the accusation for hearing at a specified time and place, and requiring the accused to appear and answer it. The secretary-treasurer shall cause a copy of the order and accusation to be served upon the accused at least ten days before the day appointed in the order for the hearing.

Sec. 9. The person accused under Section 8 of this Act shall appear at the time appointed in the order, answer the charges and make his defense, unless for sufficient cause the board assigns another day for that purpose. If he does not appear the board may proceed and determine the accusation in his absence. If the accused pleads guilty or refuses to answer the charges, or if upon the hearing the board finds any of them true, it may proceed to a judgment of either revoking his license or suspending it. The board and the accused may have the benefit of counsel. The board may administer oaths, take the depositions of witnesses as in civil cases and compel them to attend before it in person as in civil cases by subpoena issued over the signature of the secretary-treasurer and the seal of the board and in the name of the state.

Sec. 10. The revocation of any license shall be noted upon the records of the board, and the license shall be marked as canceled upon the date of its revocation. The secretary-treasurer of the board shall, upon entry of a judgment of suspension or revocation, transmit to the county clerk of the county in which the license affected by the judgment is recorded a copy of the judgment order, certified to as such by the secretary-treasurer for record. The copy of the judgment order shall be recorded in the same manner and the same book in which the record of the certificate to practice optometry is kept.

Sec. 11. A licensee whose license has been revoked by the board may appeal from the revocation order within thirty days of the cancellation of his license. The appeal shall be to the circuit court of the county in which the board met to revoke the license. Any person who takes such an appeal shall serve upon the secretary-treasurer, a written notice of the appeal, and shall file in the office of the secretary-treasurer, an appeal bond with good and sufficient surety, to be approved by the secretary-treasurer, to the state, conditioned for the speedy prosecution of the appeal and the payment of any costs charged against him upon the appeal. The secretary-treasurer, within ten days after the service of notice of appeal and the filing and approval of the bond, shall transmit to the clerk of the circuit court to which the appeal is taken a certified copy, under the seal of the board,

of the accusations on which the revocation was based and the ground for appeal, together with the notice and bond of appeal. The clerk of the circuit court shall docket the case, and it shall be tried in all respects like an ordinary civil action. Either party may appeal from the judgment of the circuit court to the Court of Appeals as in a civil action. The judgment shall be stayed from the date of the approval of the bond until final determination of the appeal.

Sec. 12. Upon application the board may reissue a license to practice optometry that has been revoked. No such application shall be made prior to one year after revocation. The board may prescribe the manner and form of application.

Sec. 13. (1) The Kentucky Board of Optometric Examiners shall consist of five licensed practicing optometrists, each appointed by the Governor from a list of three names recommended by the Kentucky Optometric Association. The members shall serve for a term of four years and until their successors are appointed and qualified, except that upon the appointment of the first members one shall be designated to serve one year, one to serve two years, one to serve three years and two to serve four years.

(2) Each member shall have been an actual resident and licensed practicing optometrist of this state for not less than five years immediately preceding his appointment to the board. He shall not be in any way connected with or interested in any optometric college or optometric department of any institution of learning or optometric supply business.

(3) Any vacancy shall be filled by the Governor as provided in subsection (1) of this section.

(4) Each member of the board shall receive any necessary expenses incurred in attending its meetings. In addition, the secretary-treasurer shall receive such salary as the board shall determine.

Sec. 14. (1) The board shall choose a president, vice-president and secretary-treasurer from its members at a meeting on the first Tuesday in July of each year.

(2) If the board considers it necessary, it may meet more often than semi-annually at whatever places it considers necessary for the examination of applicants to practice optometry, and for the transaction of any other business.

(3) A majority of the members of the board shall constitute a quorum for the transaction of business.

(4) The board shall keep a record book in which shall be registered the name, address and license number of every person entitled to practice optometry in this state. The proceedings of the board shall be recorded in a minute book.

Sec. 15. (1) The board shall administer this Act. It may make regulations for its own conduct and procedure, provide for affiliation with the American Optometric Association, send its delegates to its meetings and pay the expenses of those delegates. It may select the subjects and the standard of proficiency and percentage for examinations to practice optometry, employ an attorney to advise and assist it in enforcing this Act, and pay him a reasonable compensation for such work. It may also, subject to the provisions of this Act, promulgate any rules and regulations necessary for the regulation of the practice of Optometry in this state.

(2) The board shall make a report of its proceedings to the Governor by December 31 of each year, showing all money received and disbursed by it pursuant to this Act.

Sec. 16. No person shall practice or offer to practice optometry under any name except his own, except that any optometrist who buys the practice of another optometrist, whether living and deceased, may, for a period of not longer than one year, carry on the business under a name in which the name of his predecessor is used, but only under the following conditions:

(1) The name of the present practitioner shall appear first and he shall be shown to be the successor of his predecessor.

(2) The names of both the successor and predecessor shall be in letters of the same size.

Sec. 17. All fees imposed and collected under the provisions of this Act shall be paid to the secretary-treasurer of the

board for the use of the board, and shall be deposited in the State Treasury to the credit of an agency fund for the use of the board.

Sec. 18. (1) The board may institute in its own name any action to enjoin, temporarily or permanently, a continued violation of any of the provisions of this Act, or a continued violation of any rule or regulation promulgated pursuant to this Act.

(2) Any person who practices or attempts to practice optometry for compensation without complying with the provisions of this Act shall not be entitled to compensation for any services so rendered.

Sec. 19. (1) Any person who practices or attempts to practice Optometry without the license required by this Act shall be confined in the penitentiary for not less than one nor more than five years.

(2) Any person who violates any of the provisions of this Act, or any rule or regulation promulgated pursuant thereto, for which no specific penalty has been provided, shall be fined not less than \$50 nor more than \$100 for the first offense, and shall be fined \$100 and confined in the county jail for 30 days for each subsequent offense.

Sec. 20. Section 311.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) "Board" means the State Board of Health;

(2) (a) "Practice of medicine" means the treatment of any human ailment or infirmity by any method, and includes the practice of osteopathy, the administration of anesthetics, and the practice of, or attempt to practice, any system of diagnosis or healing or correction of any defect of any part of the human body except upon the prescription of a physician. Opening an office or announcing to the public in any way a readiness to do any of the acts mentioned in this paragraph shall be considered a practice of medicine.

(b) The practice of medicine does not include the practice of dentistry, the practice of chiropractic, the practice of Christian science, the work of nurses, the sale of proprietary or patent medicines as provided in KRS 311.250, the sale of trusses, spectacles, eyeglasses or lenses as merchandise in a duly established

mercantile establishment, the practice of midwifery by women, the rendering of gratuitous services in case of emergency, the activities of commissioned surgeons of the United States Army, Navy or Marine hospital services or of any person legally qualified by another state to practice medicine, called to see a particular case or family, who does not open an office or appoint any place in this state to meet patients or receive calls, nor does it include the practice of optometry.

Sec. 21. Sections 311.140 to 311.240 of the Kentucky Revised Statutes are hereby repealed.

Sec. 22. This Act shall become effective July 1, 1950.

Sec. 23. Any person holding on the effective date of this Act a license as an optometrist issued under KRS Chapter 311 shall be entitled to have such license renewed the same as if it had been issued under this Act.

Sec. 24. Subsection (2) of section 311.990 is hereby repealed.

Mr. Polsgrove offered the following amendment to said bill, viz:

Amendment No. 1. Amend printed copy of House Bill 349, on page 1, section 2A, line 5, by deleting subsection A of Section 2 in its entirety and substituting in lieu thereof the following words:

“Practice of optometry” means the examination of the human eye without the use of drugs, medicines or surgery to ascertain the presence of defects or abnormal conditions that can be corrected by the use of lenses, prisms or ocular exercises and their adaptation for the aid thereof and the correction or attempt to correct defects of the eye by any means, except upon the prescription of a physician.

Said Amendment No. 1 to said bill was agreed to.

Mr. Preston offered the following amendment to said bill, viz:

Amendment No. 2. Amend printed copy of H. B. 349, on

page 4, section 7, line 14, strike word "ay" before the word "optometrist's" and insert in lieu thereof the word "any"

Said Amendment No. 2 to said bill was agreed to.

Mr. Polsgrove moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Richard R. Houpt	Leonard W. Preston
Edgar Arnett	Durham W. Howard	W. R. Reasor
Sidney Baer	Maurice G. Howard	Carl J. Ruh
Clarence J. Barnum	Robert N. Hubbard	Amos Runyan
C. E. Baumgardner	Silas Jacobs	Gus Sheehan, Jr.
John D. Beatty	Paul S. Jonas	Forest Smith
Fred Beshear	Barkley Jones	John M. Spaulding
Charles W. Burnley	Jesse H. Lawrence	Mrs. Thelma Stovall
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
Owen Deering	Homer E. Losey	Egbert V. Taylor
Mitchell S. Fannin	Harry K. Lowman	M. G. Thompson
Henry C. Hale	True Mackey	Harry Lee Waterfield
Paul E. Hayes	Damon Majors	G. F. Williamson
Ray Holbrook	Jack McPherron	Charles W. Wirsch
Chester J. Holsclaw	James H. Polsgrove	

Those who voted in the negative were—

Bill Adams	George F. Harris	Archie R. Moore
Leonard T. Bean	John A. Head	Emmett G. Moore
Edward O. Bridgers	E. R. Hilton	Walter R. Moorman
Thomas L. Britton	Woodrow W. Hollan	Dr. C. E. Palmore
Charles J. Bronston	W. M. Horn	Dr. Roy Sanders
Mrs. M. E. Burnett	William Jones	LeRoy Saylor
R. Josh Cosby	James W. Lambert	J. Claude Stacy
G. I. Drury	A. L. (Chick) Love	Fred M. Warns
Thomas R. Duncan	Alton Mitchell	Morris Weintraub
C. A. Hammons		—28

Resolved that the title thereof be as aforesaid.

Mr. Polsgrove moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the House do now adjourn to meet again at 1 o'clock, p.m., Tuesday, March 7, 1950.

Said motion was agreed to.

And then the House adjourned.

TUESDAY, MARCH 7, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by Dr. Fred T. Moffatt, pastor of the First Baptist Church, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Clarence J. Barnum	John D. Beatty
Bill Adams	C. E. Baumgardner	Fred Beshear
Sidney Baer	Leonard T. Bean	R. O. Blevins

L. E. Bradley	Richard R. Houpt	Amos Runyan
Edward O. Bridgers	Durham W. Howard	Dr. Roy Sanders
Thomas L. Britton	Maurice G. Howard	LeRoy Saylor
Charles J. Bronston	Robert N. Hubbard	Roy Searcy
J. D. Buckman, Jr.	Silas Jacobs	Paul E. Shannon
Mrs. M. E. Burnett	Paul S. Jonas	James S. Shaw
Charles W. Burnley	Barkley Jones	Gus Sheehan, Jr.
Alex Calvert	William Jones	Jesse H. Shelton
Stanley Carter	James W. Lambert	Forest Smith
Paul Combs	Jesse H. Lawrence	Joseph T. Snapp
R. Josh Cosby	Mrs. J. T. Linton	John M. Spaulding
B. H. Crider	Homer E. Losey	J. Claude Stacy
Owen Deering	A. L. (Chick) Love	Roy Steers
G. I. Drury	Harry K. Lowman	Raymond D. Stigall
Thomas R. Duncan	True Mackey	Mrs. Thelma Stovall
R. C. Estep, Sr.	Damon Majors	W. R. Stringer
Mitchell S. Fannin	John Martin	Egbert V. Taylor
Henry C. Hale	G. Lee McClain	M. G. Thompson
C. A. Hammons	Jack McPherron	Rev. T. H. Tinsley
James P. Hanratty	Alton Mitchell	Ralph N. Walter
George F. Harris	Emmett G. Moore	Fred M. Warns
Paul E. Hayes	Walter R. Moorman	Harry Lee Waterfield
John A. Head	C. S. Nabb	Lyle H. Webb
Harold G. Helm	Dr. C. E. Palmore	Morris Weintraub
E. R. Hilton	James H. Polsgrove	G. F. Williamson
Ray Holbrook	Leonard W. Preston	Charles W. Wirsch
Woodrow W. Hollan	Hobart Rayburn	Adron Doran,
Chester J. Holsclaw	W. R. Reasor	Speaker
W. M. Horn	Carl J. Ruh	

Mr. Hanratty moved that the reading of the Journal of the proceedings of Monday, March 6, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Baer moved that leaves of absence be granted to Messrs. Arnett, Bailey, Henry, Marshall, Archie R. Moore and Morgan.

Said motion was agreed to.

Mr. Hanratty moved that the rules be suspended and the House do now proceed to the introduction of bills.

Said motion was agreed to by a majority of the members elected.

Thereupon, bills of the following titles were introduced, viz:

By Mr. Doran.

H. B. No. 455. AN ACT relating to a program of in-service teacher training, and making an appropriation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The State Department of Education is hereby authorized to establish, direct and maintain a state-wide program of in-service teacher training. Said program shall be organized and operated for the purpose of improving instruction in the public common schools and for the improvement of the leadership qualities and professional competence of principals, supervisors and teachers and for such other services in the improvement of instruction in the public common schools as may be approved from time to time by the State Board of Education on the recommendation of the Superintendent of Public Instruction. The program shall be directed and supervised by the Division of Teacher Training and Certification in accordance with a program approved by the Superintendent of Public Instruction and in accordance with the rules and regulations of the State Board of Education approved on the recommendation of the Superintendent of Public Instruction.

Sec. 2. For the purpose of administering the program provided for in this Act, there is hereby appropriated to the State Department of Education, out of the General Expenditure Fund in the State Treasury, the sum of thirty thousand dollars for each of the fiscal years of 1950-51 and 1951-52.

By Mr. Bridgers.

H. B. No. 456. AN ACT relating to the education of handicapped children.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No class of handicapped children, other than children who are totally blind or totally deaf, shall contain in excess of sixteen children to one teacher at any time.

Sec. 2. (2) The salary of any teacher of handicapped children, other than children who are totally blind or totally deaf, shall be fixed at a sum of not less than fifty dollars per month in excess of the sum the teacher would otherwise receive under the approved salary schedule.

Ordered that said bills be printed and referred to the Committee on Rules.

The Committee on Rules, to which the same had previously been referred, reported bills and resolutions of the following titles, viz:

H. B. No. 442. AN ACT relating to the distribution of the common school equalization fund.

H. B. No. 450. AN ACT relating to children.

H. B. No. 445. AN ACT relating to adoptions.

H. Res. No. 69. JOINT RESOLUTION for the benefit of officers and employes of the Senate and the House of Representatives; and declaring an emergency.

S. Res. No. 40. A JOINT RESOLUTION providing for payment of ministers of the churches of Frankfort, Kentucky, for performing the duties of chaplain for the General Assembly.

S. B. No. 16. AN ACT to amend Section 256 of the Con-

stitution of this Commonwealth relating to the amendment of said Constitution.

S. B. No. 168. AN ACT proposing an amendment to the Constitution of the Commonwealth of Kentucky relating to the imposition of additional taxes for the purpose of enabling payment of a bonus to war veterans.

H. B. No. 263. AN ACT relating to the support of dependent wives, children and poor relatives within and without the state.

H. B. No. 414. AN ACT relating to a State Retirement System for employes including necessary appropriations for same.

H. B. No. 413. AN ACT relating to personnel in state service.

H. B. No. 431. AN ACT concerning the issuance of bonds for the benefit of Municipal Universities and the requirements thereof.

H. B. No. 433. AN ACT changing the classification of the City of Salyersville, in Magoffin County, and declaring an emergency.

H. B. No. 439. AN ACT changing the classification of the city of Vanceburg, in Lewis County.

S. B. No. 147. AN ACT relating to authorized investments of trust funds; providing for accounting of profits; providing for the ascertainment and apportionment of dividends among life tenants and remaindermen; amending Section 386.020 of the Kentucky Revised Statutes.

S. B. No. 151. AN ACT relating to the taxing of discretionary trusts and revocable trusts.

S. B. No. 158. AN ACT to amend Chapter 289 of the Kentucky Revised Statutes relating to Building and Loan Asso-

ciations by adding thereto a new section to be known as Section 289.520 and providing for the insurance of shares of stock of Building and Loan Associations in the Federal Savings and Loan Corporation or any other approved Savings and Loan Insurance Corporation with power to purchase stock in said Corporation.

S. B. No. 169. AN ACT relating to the examination of credit unions; examination fees.

S. B. No. 185. AN ACT relating to Common Trust Funds, established pursuant to K.R.S. 287.230, creating a new section to be known as K.R.S. 287.235 and providing that such Funds shall not be considered as a separate entity for tax purposes.

H. B. No. 315. AN ACT amending Section 140.250 of the Kentucky Revised Statutes.

H. B. No. 437. AN ACT relating to county attorneys and assistant county attorneys in counties having a population of 250,000 or more, amending Sections 69.280, 69.290, 69.300 and 69.310, of the Kentucky Revised Statutes.

S. B. No. 119. AN ACT relating to the replacement of glass in motor vehicles.

S. B. No. 170. AN ACT relating to judicial districts; creating an additional district and making changes in the apportionment of counties to the Tenth Judicial District in order to comply with the meaning and intent of the Constitution with respect to the division of the state into judicial districts; providing for continuation in office of the present circuit judges and Commonwealth's attorneys and creating the offices of circuit judge and Commonwealth's attorney for the new district established by this Act; and providing for the holding of court in each district affected by this Act.

S. B. No. 194. AN ACT relating to changes of name.

H. B. No. 234. AN ACT relating to elections, including provisions relating to registration and purgation.

H. B. No. 119. AN ACT to amend Section 289.290 K.R.S. relating to the amendment of Articles of Incorporation of Building and Loan Associations.

H. B. No. 260. AN ACT relating to the lease of natural gas rights.

H. Res. No. 49. A JOINT RESOLUTION appropriating from the General Fund of the Commonwealth of Kentucky the sum of \$49.50 to pay, Hager Watson, Circuit Court Clerk of Magoffin County, for claims due him for services rendered in the performance of his duties for the Commonwealth in administering oaths to and excusing 198 jurors that were summoned in the Magoffin Circuit Court to qualify for jury service.

H. B. No. 325. AN ACT protecting every individuals right to work and making unlawful the use of force or violence or threats thereof to prevent or attempt to prevent any person from engaging in any lawful vocation and providing penalties for the violation thereof; making it unlawful for any person acting in concert with other persons to assemble and prevent or attempt to prevent by force or violence any person from engaging in a lawful vocation and making it unlawful to encourage and aid such unlawful assemblage and providing penalties for the violation thereof; defining the term "Labor Dispute"; and providing a severance or saving clause.

H. B. No. 381. AN ACT relating to pawnbrokers.

S. B. No. 53. AN ACT repealing, amending, and reenacting section 436.230 of Kentucky Revised Statutes by adding a new sub-section thereto defining gambling.

S. B. No. 73. AN ACT to prevent unfair cigarette sales in Kentucky, an Act to prevent unfair competition and unfair trade practices in the sale of cigarettes; to prohibit sales of cigarettes below cost; to protect and stabilize the collection of taxes on the sale of cigarettes and of revenues from the licensing of persons engaged in the sale of cigarettes; to confer powers and impose duties on the State Department of Revenue and on persons, as herein defined, engaged in the sale of cigarettes at wholesale or

retail; and providing remedies and imposing penalties for violations thereof.

With Committee amendments thereto.

Said Committee amendments to said bill are as follows, viz:

Committee Amendment No. 1. Amend printed copy of S. B. No. 73, on page 10, after Section 13, by adding a new section to read as follows: "14. There is hereby appropriated from the General Fund to the Department of Revenue a sum of Fifty Thousand (\$50,000) for necessary expenses of administering this act until June 30, 1951, and a like sum for the fiscal year ending June 30, 1952.

Committee Amendment No. 2. Amend printed copy of S. B. No. 73 on page 9, Section 12, lines 10, 11 and 12, by striking the words: "Said department may, upon notice and after hearing, suspend or revoke any license issued under the provisions of the Cigarette Tax Law," and substituting in lieu thereof the following: "The department may, upon notice and after hearing, suspend or revoke for a period of one year any license issued under the provisions of Kentucky Revised Statutes 137.050."

Committee Amendment No. 3. Amend printed copy of S. B. No. 73 on page 3, Section 2, subsection d, lines 21 through 24, by striking the words: "'Retailer' shall mean and include any person who is engaged in this State in the business of selling cigarettes at retail, including any person selling cigarettes through vending machines," and substituting in lieu thereof: "'Retailer' means any person who sells to a consumer or to any person for any purpose other than resale."

Committee Amendment No. 4. Amend printed copy of S. B. No. 73 on page 9, Section 12, line 9, by striking the period following the word "act," and substituting in lieu thereof a comma and adding after the comma the following words: "but no cost survey shall be made by the State at the instance of any interested party or group without security being given for the cost thereof."

Committee Amendment No. 5. Amend printed copy of S. B. No. 73 on pages 2 and 3, Section 2, subsection c, lines 16 through

20, by striking the words: " 'Wholesaler' shall mean and include any person who acquires cigarettes for purposes of sale to retailers or to other persons for purposes of resale, and sells at least seventy-five percentum (75%) of all such cigarettes purchased by him to others for resale," and substituting in lieu thereof the following: " 'Wholesaler' shall mean and include any person who acquires cigarettes for purposes of sale to retailers or to other persons for purposes of resale, and any person who is a "wholesaler" within the meaning of the Cigarette Tax Law."

H. B. No. 72. AN ACT relating to judicial sales, amending Section 426.560 of the Kentucky Revised Statutes.

H. B. No. 432. AN ACT relating to revenue and taxation.

S. B. No. 143. AN ACT relating to compensation and expenses of members of the Kentucky Board of Pharmacy and Secretary-Treasurer, amending Section 315.170 of the Kentucky Revised Statutes.

H. B. No. 345. AN ACT relating to reimbursement to school districts for school services provided for children of school age who are inmates of state institutions operated by a state agency; also making appropriations for the purposes of this Act.

H. B. No. 49. AN ACT empowering justices of the peace to serve on county road committees and providing for payment of a per diem therefor, amending subsection (3) of Section 67.110 of the Kentucky Revised Statutes.

S. B. No. 120. AN ACT establishing a Department of Traffic Engineering in cities of the first class.

H. B. No. 452. AN ACT relating to annual reports by insurance companies other than life; amending Sections 136.340 and 136.350 of the Kentucky Revised Statutes.

H. B. No. 282. AN ACT relating to Court rules governing the practice of law and the State Bar, amending Section 30.170 of the Kentucky Revised Statutes.

H. B. No. 427. AN ACT relating to prosecuting attorney pro tem in cities of the first class; vacation for prosecuting attorney.

S. B. No. 125. AN ACT relating to stenographers for County Judges.

S. B. No. 53. A JOINT RESOLUTION authorizing John Clay Salyer, an infant, by his guardian, Richmond Salyer, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

With the expression of opinion that same should pass.

Whereupon, said bills and said resolutions were each and severally read at length for the first time and

Ordered placed in the Calendar.

CALENDAR

The House took up for consideration from the Calendar bills of the following titles, viz:

H. B. No. 446. AN ACT relating to income taxation.

H. B. No. 447. AN ACT relating to education; including provisions for allocation and distribution of the school equalization fund and making appropriations for such fund and other educational purposes.

H. B. No. 448. AN ACT relating to persons performing public services or duties; including provisions concerning the compensation and expenses of public officers and employes, and of other persons performing certain public services or duties, provisions for limiting the number of deputies or assistants of certain public officers; and making appropriations.

H. B. No. 449. AN ACT relating to a study, survey and report concerning the requirements, needs, responsibilities and resources of the state government; providing for a Committee on

Functions and Resources of State Government and for the furnishing of assistance and facilities by the Legislative Research Commission; and making an appropriation.

Ordered that said bills be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bills be dispensed with, and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills having been dispensed with, said bills were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that they had examined and found to be correctly enrolled a bill of the following title, viz:

H. B. No. 253. AN ACT changing the classification of the City of Hazard, in Perry County.

Whereupon, all other business was suspended, said bill was read at length and compared in open session and found to be correctly enrolled, and thereupon, the Speaker, in open session and in the presence of the House affixed his signature thereto.

Ordered that the Enrolling Clerk deliver said bill to the Senate.

After a time the Enrolling Clerk aforesaid delivered the original and enrolled copies of said bill duly signed by the President of the Senate, into the possession of the Chief Clerk of this House.

Ordered that said bill be delivered by the Chief Clerk to the Governor.

After a time the Chief Clerk reported that he had discharged that duty.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 262. AN ACT relating to barbiturates.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act:

(1) The term "barbiturate" means the salts and derivatives of Barbituric Acid also known as Malonyl Urea, having somni-facient or hypnotic action, and compounds, preparations and mixtures of same.

(2) The term "practitioner" means a person licensed under the professional licensing laws of this state to prescribe and administer medicines.

Sec. 2. It shall be unlawful for any person to possess, manufacture, sell, dispense, prescribe or administer any barbiturate except as authorized in this Act.

Sec. 3. Duly licensed pharmacists may sell, dispense and furnish any barbiturate only upon the prescription of a practitioner and then only if the container of such barbiturate bears a label showing the name and address of the pharmacy or pharmacist, the name of the person for whom the barbiturate was prescribed, the date of filling the prescription, and if for an animal, the specie and owner of same. All such prescriptions shall be numbered and filed and retained for at least two years. No such prescription shall be refilled.

Sec. 4. A practitioner may possess barbiturates in reasonable amounts, and deliver and dispense same to his patients in the general course of his practice provided the container in which such barbiturates are dispensed bears a label showing the name of the practitioner, the name of the person for whom prescribed, date and directions for use. If prescribed for an animal, the specie and name of the owner shall be shown on the label.

Sec. 5. Wholesalers and manufacturers may possess barbiturates for manufacturing and may sell and deliver same at wholesale, accompanied in each case with an invoice or bill of sale, to the following:

- (1) Pharmacists.
- (2) Practitioners.
- (3) For lawful research, teaching or testing, and not for resale.
- (4) Hospitals and institutions where distribution is directed by practitioners.
- (5) Federal, State and Local Governments.
- (6) Manufacturers and other wholesalers.

Sec. 6. Nothing in this Act shall apply to a compound, mixture, or preparation containing salts or derivatives of barbituric acid which is sold in good faith for the purpose for which it is intended and not for the purpose of evading the provisions of this Act if:

- (1) Such compound, mixture, or preparation contains a sufficient quantity of another drug or drugs, in addition to such salts or derivatives, to cause it to produce an action other than its hypnotic or somnifacient action; or
- (2) Such compound, mixture, or preparation is intended for use as a spray or gargle or for external application and contains, in addition to such salts or derivatives, some other drug or drugs rendering it unfit for internal administration.

Sec. 7. All records, prescriptions and invoices provided for in this Act shall be preserved for at least two years and open

to inspection by authorized representatives of the State Board of Health and the State Board of Pharmacy.

Sec. 8. This Act shall be administered jointly by the State Board of Health and the State Board of Pharmacy and their authorized agents. The State Board of Health and the State Board of Pharmacy shall make such rules and regulations as are deemed necessary to carry out the intent and purpose of this Act.

Sec. 9. It is hereby made the duty of the State Board of Health, and the State Board of Pharmacy, their officers, agents, inspectors, and representatives and of all peace officers within the state, and of all county attorneys, to enforce all provisions of this Act, except those specifically delegated, and to cooperate with all agencies charged with the enforcement of the laws of the United States, of this state, and of all other states, relating to barbiturates.

Sec. 10. Any person violating any provision of this Act shall be fined not more than five hundred dollars or imprisoned in the county jail for not more than one year, or both.

Mrs. Burnett moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were:

Bernam Adams	George F. Harris	Hobart Rayburn
Bill Adams	John A. Head	W. R. Reasor
Sidney Baer	Harold G. Helm	Amos Runyan
Clarence J. Barnum	E. R. Hilton	Dr. Roy Sanders
C. E. Baumgardner	Ray Holbrook	LeRoy Saylor
Leonard T. Bean	W. W. Hollan	Paul E. Shannon
John D. Beatty	Chester J. Holsclaw	James S. Shaw
Fred Beshear	W. M. Horn	Gus Sheehan, Jr.
R. O. Blevins	Richard R. Houpt	Jesse H. Shelton
L. E. Bradley	D. W. Howard	Forest Smith
Edw. O. Bridgers	Robert N. Hubbard	Joseph T. Snapp
Thomas L. Britton	Silas Jacobs	John M. Spaulding
Charles J. Bronston	Paul S. Jonas	J. Claude Stacy
J. D. Buckman, Jr.	Barkley Jones	Roy Steers
Mrs. M. E. Burnett	William Jones	Raymond D. Stigall
Charles W. Burnley	Mrs. J. T. Linton	Mrs. Thelma Stovall
Alex Calvert	Harry K. Lowman	W. R. Stringer
Stanley Carter	True Mackey	Egbert V. Taylor
Paul Combs	Damon Majors	M. G. Thompson
R. Josh Cosby	John Martin	Rev. T. H. Tinsley
B. H. Crider	Jack McPherron	Ralph N. Walter
Owen Deering	Alton Mitchell	Fred M. Warns
Thomas R. Duncan	Emmett G. Moore	H. L. Waterfield
R. C. Estep, Sr.	Walter R. Moorman	Morris Weintraub
Mitchell S. Fannin	C. S. Nabb	G. F. Williamson
C. A. Hammons	Dr. C. E. Palmore	Charles W. Wirsch
James P. Hanratty	Leonard W. Preston	—82

There voted in the negative—

A. L. (Chick) Love

—1

Resolved that the title thereof be as aforesaid.

Mrs. Burnett moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 294. AN ACT amending Section 44.050 of the Kentucky Revised Statutes, relating to the purchase and use of motor passenger vehicles out of state funds.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 44.050 of the Kentucky Revised Statutes is amended to read as follows:

44.050. Motor Vehicles, when may be purchased out of state funds.

(1) No state officer or member of a board or commission created by the laws of this state shall purchase or contract to purchase any motor passenger vehicle on behalf of or for the account of the state, or for the use of any state officer or any member, agent or employe of any board or commission created by the laws of this state, or for the use of any person engaged in performing services for this state, except vehicles necessary for the use of the Governor, the Lieutenant-Governor when acting as Governor, the Department of Highways and its employes, the head and the inspectors of the Department of Mines and Minerals, the Adjutant General of the Department of Military Affairs, the Department of State Police and its employes, the Department of Conservation and its employes, and other departments and agencies of the state certified in writing by the Commissioner of Finance, with the approval of the Governor, as requiring the use of motor passenger vehicles to carry out their functions, nor shall any payments be made for the purchase of such vehicles, except those permitted by this section, out of state funds or money paid into the State Treasury.

(2) No person except those authorized by this section shall use or operate any passenger motor vehicle owned by the State.

(3) The Department of Military Affairs is hereby authorized to purchase from state funds motor trucks to be used in the carrying out of the functions of this department, and it is further provided that the Department of Military Affairs may acquire motor vehicles by gift or transfer from the Federal Government for use in said department.

Mr. Buckman moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Edward O. Bridgers	B. H. Crider
Bill Adams	Thomas L. Britton	Owen Deering
Sidney Baer	Charles J. Bronston	G. I. Drury
Clarence J. Barnum	J. D. Buckman, Jr.	Thomas R. Duncan
C. E. Baumgardner	Mrs. M. E. Burnett	R. C. Estepp, Sr.
John D. Beatty	Charles W. Burnley	Mitchell S. Fannin
Fred Beshear	Alex Calvert	Henry C. Hale
R. O. Blevins	Stanley Carter	James P. Hanratty
L. E. Bradley	R. Josh Cosby	George F. Harris

Paul E. Hayes	A. L. (Chick) Love	Paul E. Shannon
John A. Head	Harry K. Lowman	James S. Shaw
Harold G. Helm	True Mackey	Jesse H. Shelton
E. R. Hilton	Damon Majors	Forest Smith
Ray Holbrook	John Martin	Joseph T. Snapp
Woodrow W. Hollan	Jack McPherron	John M. Spaulding
Chester J. Holsclaw	Alton Mitchell	Roy Steers
W. M. Horn	Emmett G. Moore	Raymond D. Stigall
Richard R. Houpt	Walter R. Moorman	Mrs. Thelma Stovall
Durham W. Howard	C. S. Nabb	W. R. Stringer
Maurice G. Howard	Dr. C. E. Palmore	Egbert V. Taylor
Silas Jacobs	Leonard W. Preston	M. G. Thompson
Paul S. Jonas	Hobart Rayburn	Ralph N. Walter
Barkley Jones	W. R. Reasor	Fred M. Warns
William Jones	Amos Runyan	Harry Lee Waterfield
James W. Lambert	Dr. Roy Sanders	Morris Weintraub
Jesse H. Lawrence	LeRoy Saylor	G. F. Williamson
Mrs. J. T. Linton	Roy Searcy	Charles W. Wirsch

—81

There voted in the negative—

C. A. Hammons

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 286. AN ACT relating to the defining of theaters for licensing purposes and the licensing of same.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (2) (c) of Section 137.010 of the Kentucky Revised Statutes is amended to read as follows:

“Theater” means any building in which moving pictures, vaudeville, musical entertainment, or plays are regularly given. Open air or drive-in theaters are to be considered theaters for the purposes of this chapter.

Section 2. Subsection (4) of Section 137.050 of the Kentucky Revised Statutes is amended to read as follows:

For each theater, a license fee of twenty cents per seat per annum is imposed, the minimum charge to be ten dollars per annum. In case of open air or drive-in theaters, each parking space for a vehicle from which the performance may be viewed, shall be construed as the equivalent of two seats in calculating the license fee under this section. This subsection shall not apply to chautauquas or fairs, or to buildings owned or operated by religious, educational or charitable organizations in which public exhibitions or performances are given by such organizations, but it shall apply when nonreligious, noneducational or noncharitable organizations or persons use such buildings.

Section 3. This Act shall become effective July 1, 1950.

Mr. Hayes moved the Previous Question.

Whereupon, the Speaker announced, “Shall the Main Question be now put?”

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Harold G. Helm	Dr. C. E. Palmore
Bill Adams	E. R. Hilton	James H. Polsgrove
Sidney Baer	Ray Holbrook	Leonard W. Preston
Clarence J. Barnum	Woodrow W. Hollan	Hobart Rayburn
C. E. Baumgardner	Chester J. Holsclaw	W. R. Reasor
Fred Beshear	W. M. Horn	Amos Runyan
L. E. Bradley	Richard R. Houpt	Dr. Roy Sanders
Edward O. Bridgers	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Silas Jacobs	Paul E. Shannon
Charles J. Bronston	Paul S. Jonas	James S. Shaw
J. D. Buckman, Jr.	Barkley Jones	Gus Sheehan, Jr.
Mrs. M. E. Burnett	William Jones	Jesse H. Shelton
Charles W. Burnley	James W. Lambert	Joseph T. Snapp
Alex Calvert	Jesse H. Lawrence	John M. Spaulding
Paul Combs	Mrs. J. T. Linton	Roy Steers
R. Josh Cosby	A. L. (Chick) Love	Raymond D. Stigall
B. H. Crider	Harry K. Lowman	Mrs. Thelma Stovall
Owen Deering	True Mackey	W. R. Stringer
Thomas R. Duncan	Damon Majors	M. G. Thompson
Mitchell S. Fannin	G. Lee McClain	Ralph N. Walter
Henry C. Hale	Jack McPherron	Fred M. Warns
C. A. Hammons	Alton Mitchell	Harry Lee Waterfield
James P. Hanratty	Emmett G. Moore	Morris Weintraub
George F. Harris	Walter R. Moorman	G. F. Williamson
Paul E. Hays	C. S. Nabb	Charles W. Wirsch

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Those who voted in the negative were—

John D. Beatty	Maurice G. Howard	Egbert V. Taylor
R. O. Blevins	Roy Searcy	Lyle H. Webb

—6

Resolved that the title thereof be as aforesaid.

Mr. Hayes moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 373. AN ACT relating to impersonation of an officer, agent or employe of the Department of Kentucky State Police and providing a penalty therefor.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No person shall falsely represent himself to be an officer, agent or employee of the Department of Kentucky State Police and in such assumed character, arrest or detain or search in any manner the person or property of anyone, nor shall any person without the authority of the Department wear its official uniform or insignia or any uniform or insignia likely to be confused with the official uniform or insignia of the Department.

Section 2. Any person who violates the provisions of Section 1 of this Act shall be fined not less than one hundred nor more than five hundred dollars or imprisoned for not more than thirty days or both.

Mr. Williamson offered the following amendment to said bill, viz:

Amend printed copy of H. B. No. 373, on page 1, section 2, lines 2 and 3, by striking therefrom the entire lines and substituting in lieu thereof the following: "tion 1 of this Act shall be fined not less than ten dollars nor more than one hundred dollars or imprisoned for not more than"

Said amendment to said bill was agreed to.

Mr. Williamson moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Mrs. M. E. Burnett	John A. Head
Bill Adams	Charles W. Burnley	Harold G. Helm
Sidney Baer	Stanley Carter	E. R. Hilton
Clarence J. Barnum	Paul Combs	Ray Holbrook
C. E. Baumgardner	R. Josh Cosby	Woodrow W. Hollan
John D. Beatty	B. H. Crider	Chester J. Holsclaw
Fred Beshear	Owen Deering	W. M. Horn
R. O. Blevins	G. I. Drury	Richard R. Houpt
L. E. Bradley	Mitchell S. Fannin	Robert N. Hubbard
Edward O. Bridgers	C. A. Hammons	Silas Jacobs
Thomas L. Britton	James P. Hanratty	Barkley Jones
Charles J. Bronston	George F. Harris	William Jones
J. D. Buckman, Jr.	Paul E. Hayes	James W. Lambert

Jesse H. Lawrence	Dr. C. E. Palmore	John M. Spaulding
Mrs. J. T. Linton	James H. Polsgrove	Roy Steers
A. L. (Chick) Love	Leonard W. Preston	Raymond D. Stigall
Harry K. Lowman	Hobart Rayburn	Mrs. Thelma Stovall
True Mackey	W. R. Reasor	W. R. Stringer
Damon Majors	Carl J. Ruh	Egbert V. Taylor
G. Lee McClain	Amos Runyan	M. G. Thompson
Jack McPherron	Dr. Roy Sanders	Rev. T. H. Tinsley
Alton Mitchell	LeRoy Saylor	Ralph N. Walter
Emmett G. Moore	Gus Sheehan, Jr.	Fred M. Warns
Walter R. Moorman	Jesse H. Shelton	Harry Lee Waterfield
C. S. Nabb	Forest Smith	G. F. Williamson

-75

There voted in the negative—

Morris Weintraub

-1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 382. AN ACT relating to warrants drawn on the State Treasurer.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Section 41.120 of the Kentucky Revised Statutes, is amended to read as follows.

All claims against the state shall be paid by the Treasurer on the warrants of the Department of Finance. All warrants

issued in accordance with the provisions of this chapter shall, when signed by the Commissioner of Finance or an assistant designated by him, constitute full and sufficient authority to the Treasurer for the disbursement of public money in the amount set forth. Said signatures may be placed on the warrants by means of an appropriate mechanical device.

2. WHEREAS, the requirement of personal signing of warrants is casting an ever increasing burden upon the Director of the Division of Accounts and Control which occupies a great portion of the time of said officer, and

WHEREAS, it is essential to the proper and efficient conduct of the business of said division that this requirement be dispensed with prior to the close of the present fiscal year,

NOW, THEREFORE, an emergency is hereby declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Mr. Hubbard moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill

in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	W. R. Reasor
Sidney Baer	E. R. Hilton	Carl J. Ruh
Clarence J. Barnum	Ray Holbrook	Amos Runyan
C. E. Baumgardner	Woodrow W. Hollan	Dr. Roy Sanders
John D. Beatty	Chester J. Holsclaw	LeRoy Saylor
Fred Beshear	W. M. Horn	Paul E. Shannon
R. O. Blevins	Richard R. Houpt	James S. Shaw
L. E. Bradley	Robert N. Hubbard	Gus Sheehan, Jr.
Edward O. Bridgers	Silas Jacobs	Jesse H. Shelton
Thomas L. Britton	Paul S. Jonas	Forest Smith
Charles J. Bronston	Barkley Jones	Joseph T. Snapp
J. D. Buckman, Jr.	William Jones	John M. Spaulding
Mrs. M. E. Burnett	Jesse H. Lawrence	Roy Steers
Charles W. Burnley	Mrs. J. T. Linton	Raymond D. Stigall
Paul Combs	A. L. (Chick) Love	Mrs. Thelma Stovall
R. Josh Cosby	Harry K. Lowman	W. R. Stringer
B. H. Crider	True Mackey	Egbert V. Taylor
Owen Deering	Damon Majors	M. G. Thompson
G. I. Drury	G. Lee McClain	Ralph N. Walter
Thomas R. Duncan	Jack McPherron	Fred M. Warns
C. A. Hammons	Dr. C. E. Palmore	Harry Lee Waterfield
James P. Hanratty	James H. Polsgrove	G. F. Williamson
George F. Harris	Leonard W. Preston	Charles W. Wirsch
Paul E. Hayes		—70

Those who voted in the negative were—

R. C. Esteppe, Sr.	Harold G. Helm	Lyle H. Webb
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—3

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took

up for consideration from the Orders of the Day a bill of the following title, viz:

S. B. No. 134. AN ACT authorizing and adding one additional judge to the circuit court for the Twenty-second Circuit Court District; establishing the divisions of said circuit court; providing for the appointment and election of the additional judge to said court; and providing for the manner in which said court shall be held and the business therein conducted.

Said bill is as follows, viz:

WHEREAS, the population of the Twenty-second Circuit Court District, embracing the County of Fayette, now exceeds seventy-five thousand inhabitants; and

WHEREAS, said District and County has a city of more than twenty thousand inhabitants, and

WHEREAS, said District is entitled to an additional circuit judge; therefore,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That one additional judge of the circuit court for the Twenty-second Circuit Court District is hereby authorized added to said court.

Sec. 2. The circuit court of said Twenty-second Circuit Court District shall be divided into two divisions; one of the divisions to be known and designated the Criminal, Common Law and Equity Division, and the other the Common Law and Equity Division. The judge of the court at the time the additional judge is provided shall be the judge of the Common Law and Equity Division, and the added judge to be the judge of the Criminal, Common Law and Equity Division.

Sec. 3. Within sixty days after this Act shall have become operative, the Governor shall appoint a person having the quali-

fications of a circuit judge to preside over the Criminal, Common Law and Equity Division of the Twenty-second Circuit Court District, who, when appointed, shall be commissioned by the Governor as judge of the Criminal, Common Law and Equity Division of the Twenty-second Circuit Court District, and shall enter upon the duties of the office as soon as he shall have qualified, and shall continue in office until the first Monday in January, 1952, and until his successor is elected, and shall have qualified.

At the regular election to be held on the first Tuesday after the first Monday in November, 1951, and every six years thereafter, such additional judge shall be elected, as other circuit court judges are required to be elected, and shall enter upon the duties of the office on the first Monday in January next succeeding his election.

Sec. 4. The court in the Twenty-second Circuit Court District shall be held in continuous session and the business therein shall be conducted in the manner now provided by law for other circuit courts of continuous session having two judges.

Mr. Bronston moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved hat the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by tis title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Harold G. Helm	W. R. Reasor
Bill Adams	E. R. Hilton	Carl J. Ruh
Sidney Baer	Ray Holbrook	Amos Runyan
Clarence J. Barnum	Woodrow W. Hollan	Dr. Roy Sanders
C. E. Baumgardner	Chester J. Holsclaw	Paul E. Shannon
Fred Beshear	W. M. Horn	James S. Shaw
Edward O. Bridgers	Richard R. Hout	Gus Sheehan, Jr.
Thomas L. Britton	Robert N. Hubbard	Joseph T. Snapp
Charles J. Bronston	Silas Jacobs	John M. Spaulding
J. D. Buckman, Jr.	Paul S. Jonas	Roy Steers
Mrs. M. E. Burnett	William Jones	Raymond D. Stigall
Charles W. Burnley	Mrs. J. T. Linton	Mrs. Thelma Stovall
Alex Calvert	Harry K. Lowman	W. R. Stringer
Stanley Carter	True Mackey	M. G. Thompson
Paul Combs	G. Lee McClain	Rev. T. H. Tinsley
R. Josh Cosby	Jack McPherron	Fred M. Warns
Owen Deering	Walter R. Moorman	Morris Weintraub
Thomas R. Duncan	C. S. Nabb	G. F. Williamson
James P. Hanratty	James H. Polsgrove	Charles W. Wirsch
Paul E. Hayes		—57

Those who voted in the negative were—

R. O. Blevins	A. L. (Chick) Love	Harry Lee Waterfield
R. C. Estepp, Sr.	Leonard W. Preston	Lyle H. Webb
C. A. Hammons	Egbert V. Taylor	—8

Resolved that the title thereof be as aforesaid.

Mr. Bronston moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 398. AN ACT relating to and providing for the Payment of Prior Year Claims against the State.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION ONE. (1) Any claim against any agency, department or budget unit not presented or encumbered for payment within the fiscal year in which the obligation was incurred may, after determination by the Commissioner of Finance, be found to be valid claim against the Commonwealth, and may be authorized for payment out of the appropriation for the prior year claims, provided that the agency, department, or budget unit had an available balance sufficient to pay the obligation at the close of the fiscal year in which the obligation was incurred. All claims authorized to be paid under this section shall be limited to those incurred during the preceding fiscal year, and the total of such claims paid for any one agency, department or budget unit shall not exceed the available balance remaining to the credit of such agency, department or budget unit at the close of the fiscal year in which the obligations were incurred.

(2) Any claim authorized and paid under this section for an obligation incurred by any agency, department or budget unit having a trust and agency fund account from which account such an expenditure is authorized by law shall be charged against the balance remaining in such trust and agency fund account.

(3) There is hereby appropriated out of the General Expenditure Fund to the Department of Finance for the payment of prior year claims the following amounts for the following fiscal years:

1950-51	-----	\$ 5,000.00
1951-52	-----	\$ 5,000.00

(4) There is hereby appropriated out of the state road fund to the Department of Highways for the payment of prior year claims the following amounts for the following fiscal years:

1950-51	-----	\$75,000.00
1951-52	-----	\$75,000.00

Mr. Hubbard moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	R. Josh Cosby	Chester J. Holsclaw
Bill Adams	Owen Deering	Richard R. Houpt
Sidney Baer	G. I. Drury	Robert N. Hubbard
Clarence J. Barnum	Thomas R. Duncan	Silas Jacobs
C. E. Baumgardner	C. A. Hammons	Paul S. Jonas
Leonard T. Bean	James P. Hanratty	Barkley Jones
Fred Beshear	George F. Harris	William Jones
Edward O. Bridgers	Paul E. Hayes	Mrs. J. T. Linton
Charles J. Bronston	John A. Head	A. L. (Chick) Love
J. D. Buckman, Jr.	Harold G. Helm	Harry K. Lowman
Alex Calvert	E. R. Hilton	True Mackey
Stanley Carter	Ray Holbrook	Jack McPherron
Paul Combs	Woodrow W. Hollan	Alton Mitchell

C. S. Nabb	Paul E. Shannon	W. R. Stringer
W. R. Reasor	Forest Smith	M. G. Thompson
Carl J. Ruh	Joseph T. Snapp	Rev. T. H. Tinsley
Amos Runyan	John M. Spaulding	Ralph N. Walter
Dr. Roy Sanders	Roy Steers	Fred M. Warns
LeRoy Saylor	Raymond D. Stigall	G. F. Williamson
Roy Searcy	Mrs. Thelma Stovall	—59

Those who voted in the negative were—

John D. Beatty	Leonard W. Preston	Harry Lee Waterfield
R. O. Blevins		—4

Resolved that the title thereof be as aforesaid.

Mr. Hubbard moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 375. AN ACT relating to the speed of vehicles and providing penalties.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 189.390 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) No operator of a vehicle upon a highway shall drive at a greater speed than is reasonable and prudent, having regard for the traffic and for the condition and use of the highway.

(2) Where no condition exists that requires lower speed for compliance with Subsection (1) of this Section, the speed of any vehicle not in excess of the limits specified in this Section

or established as hereinafter authorized shall be lawful, but any speed in excess of the limits specified in this Section or established as hereinafter authorized shall be unlawful.

(a) For all vehicles other than motor trucks, semi-trailer trucks, or motor vehicles of five horsepower or less, thirty-five miles per hour in any business or residential district, sixty miles per hour in other locations during the daytime and fifty miles per hour in other locations during the nighttime;

(b) For motor trucks and semi-trailer trucks, thirty-five miles per hour in any business or residential district, fifty miles per hour in other locations during the daytime, and forty miles per hour in other locations during the nighttime;

(c) For motor vehicles of five horsepower or less, thirty-five miles per hour in any location.

(3) Whenever the Commissioner of Highways shall determine upon the basis of an engineering and traffic investigation that any speed limit hereinbefore set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or upon any part of a State highway within or without the corporate limits of a municipality, said Commissioner of Highways may determine and establish by official order a reasonable and safe speed limit at such location which shall be effective at all times or during hours of daytime or nighttime, or at such other times as may be determined when appropriate signs giving notice thereof are erected at such intersection or part of the State highway. In no event, however, shall said Commissioner increase any speed limit established by Subsection (2) of this Section by more than ten miles per hour, nor shall such ten mile per hour increase permit a speed limit in any instance in excess of sixty miles per hour.

(4) (a) Whenever municipal authorities determine upon the basis of an engineering and traffic investigation that the speed permitted under Subsection (2) of this Section is greater or less than is reasonable or safe under the conditions found to exist at any location within the municipality, such municipal authority, subject to paragraph (b) of this Subsection, shall determine and authorize by ordinance a reasonable and safe speed limit at such

location, which shall be effective at all times or during hours of daytime or nighttime, or at such other times as may be determined when appropriate signs giving notice thereof are erected at such location. In no event, however, shall said municipal authority increase any speed established by Subsection (2) of this Section by more than ten miles per hour, nor shall such ten miles per hour increase permit a speed limit in any instance in excess of sixty miles per hour.

(b) Alteration of speed limits on State highways within a municipality by municipal authorities shall not be effective until such alteration has been approved by the Commissioner of Highways. In no event shall said Commissioner approve any alteration which would increase any speed limit established by Subsection (2) of this Section by more than ten miles per hour, nor shall such ten mile per hour increase permit a speed limit in any instance in excess of sixty miles per hour.

(5) No person shall drive a motor vehicle at such a slow speed as to impede or block the normal and reasonable movement of traffic except when reduced speed is necessary for safe operation or in compliance with law.

(6) The speed limitations set forth in this Section shall not apply to an authorized emergency vehicle when responding to an emergency call, or when responding to but not upon returning from a fire alarm, and the driver thereof sounds audible signal by bell, siren, or exhaust whistle, and when such emergency vehicle is equipped with at least one lighted lamp exhibiting red light visible under normal atmospheric conditions from a distance of 500 feet to the front of such vehicle. This provision shall not relieve the driver of an authorized emergency vehicle from the duty to drive with due regard for safety of all persons using the street, nor shall it protect the driver of any such vehicle from the consequences of a reckless disregard of the safety of others.

(7) In every charge for a violation of any speed limit specified in this Section or established as herein authorized, the warrant or citation shall specify the speed at which the defendant is alleged to have driven, also the lawful speed limit applicable at the location where the violation is charged to have occurred.

(8) As used in this Section, the following words and phrases shall have the meanings respectively ascribed to them:

(a) Business District—The territory contiguous to and including a highway when within any 600 feet along such highway there are buildings in use for business or industrial purposes which occupy 300 feet of frontage on one side or 300 feet collectively on both sides of the highway.

(b) Residential District—The territory contiguous to and including a highway not comprising a business district when the property on such highway for a distance of 300 feet or more is in the main improved with residences or residences and buildings in use for business.

(c) State Highway—A highway or street maintained by the Department of Highways.

(d) Nighttime—The period from one-half hour after sunset until one-half hour before sunrise, and at such other periods as atmospheric conditions render visibility as low as or lower than is ordinarily the case during that period; daytime means at any other period.

Section 2. Subsection (1) of Section 189.990 is hereby amended to read as follows:

(1) Any person who violates any of the provisions of K.R.S. 189.020 to 189.040, subsections (1), (2) and (5) of K.R.S. 189.050, K.R.S. 189.060 to 189.080, subsections (1) to (3) of K.R.S. 189.090, K.R.S. 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of K.R.S. 189.190, K.R.S. 189.200, 189.290, 189.300 to 189.360, subsection (2) of K.R.S. 189.370, K.R.S. 189.380, K.R.S. 189.390, K.R.S. 189.400 to 189.430, 189.450 to 189.480, K.R.S. subsection (1) of K.R.S. 189.520, K.R.S. 189.540, subsection (1) of K.R.S. 189.560, or K.R.S. 189.570 to 189.630, except subsection (1) of K.R.S. 189.580, shall be fined not less than ten dollars nor more than one hundred dollars for each offense. Any person who violates subsection (1) of K.R.S. 189.580 shall be fined not less than ten dollars nor more than two thousand dollars, or imprisoned in the county jail for not more than one year, or both.

Section 3. Subsection (2) of Section 189.990 is hereby amended to read as follows:

(2) Any person who operates a vehicle and any owner who knows or consents to the operation of his vehicle in violation of any of the provisions of subsections (3) and (4) of K.R.S. 180.050, subsection (4) of K.R.S. 189.090, K.R.S. 189.180, 189.220 to 189.250, 189.270, 189.280 or K.R.S. 189.490 shall be fined not less than fifteen nor more than two thousand dollars.

Mr. Tinsley offered the following amendments to said bill, viz:

Amendment No. 1. Amend printed copy of H. B. 375, on page 6, section 3, line 8, by striking therefrom the entire line and substituting in lieu thereof the following:

“not less than fifteen dollars nor more than two hundred dollars.”

Amendment No. 2. Amend printed copy of H. B. 375 on page 5, section 3, line 1, by inserting immediately following the figures “189.990” the words:

“of the Kentucky Revised Statutes.”

Amendment No. 3. Amend printed copy of H. B. 375 on page 5, section 2, line 1, by inserting immediately following the figures “189.990” the words “of the Kentucky Revised Statutes.”

Amendment No. 4. Amend printed copy of H. B. 375 on page 5, section 2, line 10, by striking therefrom immediately following the figures “189.480,” and immediately preceeding the word “subsection” the letters “KRS.”

Said amendments to said bill were each and severally agreed to.

Mr. Barkley Jones and Mr. Tinsley offered the following amendment to said bill, viz:

Amendment No. 5. Amend printed copy of H. B. 375 on page 4, section 6, line 71, —strike word “euipped” and insert in lieu thereof the word “equipped”

Said amendment to said bill was agreed to.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	G. I. Drury	Mrs. J. T. Linton
Bill Adams	Thomas R. Duncan	A. L. (Chick) Love
Sidney Baer	R. C. Estepp, Sr.	True Mackey
Clarence J. Barnum	C. A. Hammons	Damon Majors
C. E. Baumgardner	James P. Hanratty	John Martin
Leonard T. Bean	George F. Harris	G. Lee McClain
Fred Beshear	Paul E. Hayes	Jack McPherron
R. O. Blevins	John A. Head	Alton Mitchell
L. E. Bradley	E. R. Hilton	Emmett G. Moore
Thomas L. Britton	Ray Holbrook	Walter R. Moorman
J. D. Buckman, Jr.	Woodrow W. Hollan	C. S. Nabb
Mrs. M. E. Burnett	Chester J. Holsclaw	Dr. C. E. Palmore
Charles W. Burnley	W. M. Horn	Leonard W. Preston
Alex Calvert	Richard R. Houpt	W. R. Reasor
Stanley Carter	Robert N. Hubbard	Carl J. Ruh
Paul Combs	Silas Jacobs	Amos Runyan
R. Josh Cosby	Barkley Jones	Dr. Roy Sanders
B. H. Crider	William Jones	LeRoy Saylor
Owen Deering	Jesse H. Lawrence	Roy Searcy

Paul E. Shannon	Roy Steers	Fred M. Warns
James S. Shaw	Mrs. Thelma Stovall	Harry Lee Waterfield
Gus Sheehan, Jr.	W. R. Stringer	Lyle H. Webb
Forest Smith	Egbert V. Taylor	Morris Weintraub
Joseph T. Snapp	M. G. Thompson	G. F. Williamson
John M. Spaulding	Rev. T. H. Tinsley	Charles W. Wirsch
J. Claude Stacy	Ralph N. Walter	-77

There voted in the negative—

Durham W. Howard

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 412. AN ACT amending Sections 262.030, 262.040, 262.070, 262.090, 262.095, 262.150, 262.200, 262.220 and 262.240 of the Kentucky Revised Statutes, relating to the State Soil Conservation Committee and Soil Conservation Districts, and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Section 262.030 of the Kentucky Revised Statutes is amended to read as follows:

262.030. Committee; membership. The State Soil Conservation Committee shall consist of the following: the Commissioner of Conservation, the Commissioner of Agriculture, Labor and Statistics, the Director of the Agricultural Experiment Station, the Director of Vocational Education, or the designated

representatives of those officials, and a representative farmer appointed by the Governor for a term of four years. The committee may invite the United States Secretary of Agriculture to appoint one person to serve with the members as an advisory member of the committee. The committee shall be a part of the Department of Conservation, and for purposes of administration shall function through the office of the Commissioner of Conservation.

2. Section 262.040 of the Kentucky Revised Statutes is amended to read as follows:

262.040. Chairman of committee; hearings; quorum. The Commissioner of Conservation shall be chairman of the committee. The committee shall hold such meetings as are necessary to carry out this chapter. A majority of the committee shall constitute a quorum, and the concurrence of a majority in any matter within the duties of the committee shall be required for its determination.

3. Section 262.070 of the Kentucky Revised Statutes is amended to read as follows:

262.070. State agencies to assist. The Department of Conservation shall provide the committee with such technical assistance, clerical help and other services necessary to carry out the functions of the committee. The committee may delegate to its chairman, to one or more of its members or one or more agents or employes such powers and duties as it deems proper. Upon request of the committee, for the purpose of carrying out any of its functions, the supervising officer of any state agency or of any state institution of learning may assign personnel to the committee for the purpose of making such special reports, surveys or studies as the committee requests.

4. Section 262.090 of the Kentucky Revised Statutes is amended to read as follows:

262.090. Functions of committee. The committee shall:

(1) Supervise the organization and discontinuance of soil conservation districts.

(2) Supervise the appointment and election of members of soil conservation district boards of supervisors.

(3) Secure the cooperation and assistance of other agencies of the federal, state and local governments in the development of a complete soil conservation program.

(4) Perform such acts and promulgate such regulations as may be necessary to carry out its functions.

5. Section 262.095 of the Kentucky Revised Statutes is amended to read as follows:

262.095. Appropriations; how used. Appropriations out of the State Treasury to finance the program of the State Soil Conservation Committee shall be paid out directly on the orders of the chairman, and shall be used to pay the expenses of the committee.

6. Section 262.150 of the Kentucky Revised Statutes is amended to read as follows:

261.150. Committee to appoint two district supervisors; qualifications.

(1) If the committee determines that the operation of the proposed district within the defined boundaries is administratively practicable and feasible, it shall appoint two supervisors to act with the three supervisors elected as provided by KRS 262.220.

(2) The two supervisors appointed under subsection (1) shall be persons who by training and experience are qualified to perform the services required of them by this chapter, and they shall serve until supervisors are elected at the next regular election of supervisors as provided for under KRS 262.240.

7. Section 262.200 of the Kentucky Revised Statutes is amended to read as follows:

262.200. Nature of districts; governing body. (1) A district shall constitute a governmental subdivision of the state and a public body corporate and politic, exercising public powers.

(2) The governing body of the district shall consist of a board of five supervisors. On organization of a district, the first two supervisors shall be appointed by the committee as provided in KRS 262.150, and three shall be elected under KRS 262.210 and 262.220. The supervisors shall hold no other city, county or state elective office.

(3) The board may sue and be sued in the name of the district; have a seal, which shall be judicially noticed; have perpetual succession unless terminated as provided in KRS 262.530 to 262.560; make and execute contracts and other instruments necessary or convenient to exercise its powers.

(4) The board may call upon the Attorney General for such legal services as it may require.

8. Section 262.220 of the Kentucky Revised Statutes is amended to read as follows:

262.220. Conduct of election for supervisors. Upon the organization of a district, the committee shall give due notice of an election of three supervisors to serve until supervisors are elected at the next regular election of supervisors as provided for under KRS 262.240. The names of all nominees on behalf of whom nominating petitions have been filed under KRS 262.210 shall be printed, arranged in the alphabetical order of the surnames, upon ballots, with a square before each name and a direction to insert an X mark in the square before any three names to indicate the voters' preference. Only owners of lands lying within the district shall be eligible to vote in the election. The three candidates who receive the largest number, respectively, of the votes cast in the election shall be the elected supervisors for the district. In the event nominating petitions for only three supervisors are filed, the committee shall declare the three nominees elected without holding an election as herein provided. The committee shall supervise the conduct of the elections provided for in this act, shall prescribe regulations governing the conduct of such elections and the determination of the eligibility of voters and shall publish the results of the elections. The expenses of the elections shall be paid out of funds available to carry out the functions of the committee.

9. Section 262.240 of the Kentucky Revised Statutes is amended to read as follows:

262.240. Supervisors; term; vacancies; compensation; removal.

(1) The term of office of each supervisor shall be four years, except that supervisors who are appointed or elected from the effective date of this act until the first Tuesday after the first Monday in November, 1952, shall serve only until December 31, 1952. On the first Tuesday after the first Monday in November, 1952, and every four years thereafter on that date there shall be an election of five supervisors, to serve for a term of four years beginning on the first day of January following their election. Nominating petitions for supervisors shall be filed with the committee not less than forty-five (45) days prior to the day of the election. No such nominating petition shall be accepted by the committee unless it is signed by twenty-five (25) or more owners of land lying within the boundaries of the district. Landowners may sign more than one nominating petition to nominate more than one candidate for supervisor. In the event nominating petitions for only five supervisors are filed, the committee shall declare the five nominees elected without holding an election. The election shall be conducted by the committee as provided for under KRS 262.220.

(2) A supervisor shall hold office until his successor has been elected and has qualified. Vacancies shall be filled for the unexpired term by appointment by the committee.

(3) A supervisor may be reimbursed for expenses necessarily incurred in the discharge of his duties and may be paid a per diem for attending meetings or otherwise discharging the obligations of his office.

(4) Any supervisor may be removed by the committee upon notice and hearing, for neglect of duty or malfeasance in office, but for no other reason.

10. Whereas, soil conservation districts are now being formed and are in operation and it is important that the changes in this act be put into operation immediately for the benefit of

the soil conservation district program, an emergency is hereby declared to exist and this act shall become effective from and after its passage and approval by the Governor.

Mr. Mackey moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Mrs. M. E. Burnett	Paul E. Hayes
Sidney Baer	Charles W. Burnley	John A. Head
Clarence J. Barnum	Alex Calvert	E. R. Hilton
C. E. Baumgardner	Stanley Carter	Ray Holbrook
Leonard T. Bean	Paul Combs	Woodrow W. Hollan
Fred Beshear	R. Josh Cosby	W. M. Horn
R. O. Blevins	Owen Deering	Richard R. Houpt
L. E. Bradley	G. I. Drury	Durham W. Howard
Edward O. Bridgers	Thomas R. Duncan	Robert N. Hubbard
Thomas L. Britton	C. A. Hammons	Silas Jacobs
Charles J. Bronston	James P. Hanratty	Paul S. Jonas
J. D. Buckman, Jr.	George F. Harris	Barkley Jones

William Jones	Leonard W. Preston	Joseph T. Snapp
Jesse H. Lawrence	Hobart Rayburn	John M. Spaulding
Mrs. J. T. Linton	W. R. Reasor	Roy Steers
Homer E. Losey	Carl J. Ruh	Raymond D. Stigall
A. L. (Chick) Love	Amos Runyan	Mrs. Thelma Stovall
Harry K. Lowman	Dr. Roy Sanders	W. R. Stringer
True Mackey	LeRoy Saylor	Egbert V. Taylor
Damon Majors	Roy Searcy	M. G. Thompson
G. Lee McClain	Paul E. Shannon	Rev. T. H. Tinsley
Jack McPherron	James S. Shaw	Ralph N. Walter
Alton Mitchell	Gus Sheehan, Jr.	Harry Lee Waterfield
Emmett G. Moore	Jesse H. Shelton	Morris Weintraub
C. S. Nabb	Forest Smith	G. F. Williamson
Dr. C. E. Palmore		

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Resolved that the title thereof be as aforesaid.

Mr. Mackey moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 441. AN ACT providing that in any county having a population of less than seventy-five thousand and in which the county clerk shall have had the bond required of him by law executed by an incorporated surety company, the county clerk shall, in certain instances, have a claim against the state for the amount of the premium paid by him.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. In any county having a population of less than seventy-five thousand, and in which the county clerk shall have had the bond required of him by law executed by an incorpo-

rated surety company, the county clerk shall have a claim against the state for the amount of the premium paid by him, payable as other claims are paid, but only if the fees theretofore paid into the State Treasury by such officer are sufficient to pay the premium in addition to his other official expenses theretofore incurred that are entitled to be paid out of such fees. The amount of premium to be paid by the state shall be approved by the judge or court who approved the bond.

Sec. 2. Every claim made under Section 1 of this Act for the payment of a premium on a bond shall be verified by affidavit of the officer executing the bond as principal.

Mr. Burnley moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bill Adams	C. E. Baumgardner	Edward O. Bridgers
Sidney Baer	Leonard T. Bean	Thomas L. Britton
Clarence J. Barnum	R. O. Blevins	Charles J. Bronston

J. D. Buckman, Jr.	Robert N. Hubbard	Carl J. Ruh
Mrs. M. E. Burnett	Silas Jacobs	Amos Runyan
Charles W. Burnley	Paul S. Jonas	Dr. Roy Sanders
Alex Calvert	Barkley Jones	LeRoy Saylor
Stanley Carter	William Jones	Paul E. Shannon
Paul Combs	James W. Lambert	Gus Sheehan, Jr.
R. Josh Cosby	Jesse H. Lawrence	Forest Smith
Owen Deering	Mrs. J. T. Linton	Joseph T. Snapp
G. I. Drury	A. L. (Chick) Love	John M. Spaulding
Thomas R. Duncan	Harry K. Lowman	Raymond D. Stigall
R. C. Estepp, Sr.	True Mackey	Mrs. Thelma Stovall
C. A. Hammons	Damon Majors	W. R. Stringer
George F. Harris	G. Lee McClain	Egbert V. Taylor
Paul E. Hayes	Jack McPherron	M. G. Thompson
John A. Head	Alton Mitchell	Rev. T. H. Tinsley
Harold G. Helm	Emmett G. Moore	Ralph N. Walter
E. R. Hilton	C. S. Nabb	Fred M. Warns
Ray Holbrook	Dr. C. E. Palmore	Harry Lee Waterfield
Woodrow W. Hollan	Leonard W. Preston	Lyle H. Webb
Richard R. Houpt	Hobart Rayburn	G. F. Williamson
Durham W. Howard	W. R. Reasor	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 374. AN ACT regulating vehicles when overtaking or meeting a stopped school bus.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 189.370 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) Whenever any school bus is stopped upon a highway for the purpose of receiving or discharging passengers, the operator of a vehicle approaching from any direction shall bring his vehicle to a complete stop and shall not start up or attempt to pass until the school bus has finished receiving or discharging passengers and has been put into motion.

(2) Subsection (1) shall be applicable only in the event the school bus bears on the front and rear a plainly visible sign containing the words "SCHOOL BUS" in letters not less than six inches in height, which can be removed or covered when the vehicle is not in use as a school bus.

Section 2. Section 189.990 (1) of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) Any person who violates any of the provisions of K.R.S. 189.020 to 189.040, subsections (1), (2) and (5) of K.R.S. 189.050, K.R.S. 189.060 to 189.080, subsections (1) to (3) of K.R.S. 189.090, K.R.S. 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of K.R.S. 189.190, K.R.S. 189.200, 189.290, 189.300 to 189.360, K.R.S. 189.380, subsections (1), (2) and (4) of K.R.S. 189.390, K.R.S. 189.400 to 189.430, 189.450 to 189.480, subsection (1) of K.R.S. 189.520, K.R.S. 189.540, subsection (1) of K.R.S. 189.560, or K.R.S. 189.570 to 189.630, except subsection (1) of K.R.S. 189.580, shall be fined not less than ten dollars nor more than one hundred dollars for each offense. Any person who violates subsection (1) of K.R.S. 189.580 shall be fined not less than ten dollars nor more than two thousand dollars, or imprisoned in the county jail for not more than one year, or both.

Mr. Williamson moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Clarence J. Barnum	Woodrow W. Hollan	Carl J. Ruh
C. E. Baumgardner	W. M. Horn	Amos Runyan
John D. Beatty	Richard R. Houpt	Dr. Roy Sanders
Fred Beshear	Durham W. Howard	LeRoy Saylor
R. O. Blevins	Robert N. Hubbard	Paul E. Shannon
L. E. Bradley	Silas Jacobs	James S. Shaw
Thomas L. Britton	Paul S. Jonas	Gus Sheehan, Jr.
Charles J. Bronston	Barkley Jones	Jesse H. Shelton
J. D. Buckman, Jr.	Jesse H. Lawrence	Forest Smith
Mrs. M. E. Burnett	Mrs. J. T. Linton	John M. Spaulding
Alex Calvert	Homer E. Losey	J. Claude Stacy
Paul Combs	A. L. (Chick) Love	Roy Steers
R. Josh Cosby	Harry K. Lowman	Raymond D. Stigall
Owen Deering	True Mackey	W. R. Stringer
Thomas R. Duncan	Damon Majors	M. G. Thompson
R. C. Estepp, Sr.	G. Lee McClain	Rev. T. H. Tinsley
C. A. Hammons	Jack McPherron	Ralph N. Walter
James P. Hanratty	Alton Mitchell	Fred M. Warns
George F. Harris	Emmett G. Moore	Harry Lee Waterfield
Paul E. Hayes	Walter R. Moorman	Lyle H. Webb
John A. Head	C. S. Nabb	Morris Weintraub
Harold G. Helm	Leonard W. Preston	G. F. Williamson
E. R. Hilton	Hobart Rayburn	Charles W. Wirsch
Ray Holbrook	W. R. Reasor	

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 421. AN ACT relating to common schools with particular reference to entrance age requirements.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 158.030 of the Kentucky Revised Statutes is amended to read as follows:

A "common school" is an elementary or secondary school of the state supported in whole or in part by public taxation. No school shall be deemed a "common school" or receive support from public taxation unless the school is taught by a qualified teacher for a term of eight or more months during the school year and every child residing in the district who is six years of age and over has had the privilege of attending it. Provided, however, that any child who is six years of age or who may become six years of age by September 1 following the opening of the school year may enter school provided that he enters within thirty calendar days of the beginning of that school term, with the exception that in schools having mid-year promotions any child who is six years of age or who may become six years of age within thirty calendar days after the opening of the second semester may enter school at the beginning of that semester. Any child who becomes six years of age later than September 1 following the opening of the school shall not enter school during that year and in schools having mid-year promotions any child who becomes six years of age later than thirty days after the opening of the second semester shall not enter school during that semester.

Mr. Runyan moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	W. R. Reasor
Sidney Baer	Paul E. Hayes	Amos Runyon
Clarence J. Barnum	John A. Head	Dr. Roy Sanders
C. E. Baumgardner	E. R. Hilton	Roy Searcy
Fred Beshear	Chester J. Holsclaw	Paul E. Shannon
Edward O. Bridgers	Richard R. Houpt	Gus Sheehan, Jr.
Charles J. Bronston	Robert N. Hubbard	Jesse H. Shelton
J. D. Buckman, Jr.	Silas Jacobs	Joseph T. Snapp
Charles W. Burnley	Paul S. Jonas	John M. Spaulding
Alex Calvert	William Jones	Raymond D. Stigall
R. Josh Cosby	Mrs. J. T. Linton	W. R. Stringer
G. I. Drury	A. L. (Chick) Love	Egbert V. Taylor
Thomas R. Duncan	Harry K. Lowman	M. G. Thompson
Mitchell S. Fannin	True Mackey	Rev. T. H. Tinsley
Henry C. Hale	G. Lee McClain	Fred M. Warns
James P. Hanratty	C. S. Nabb	G. F. Williamson

Those who voted in the negative were—

Bill Adams	Durham W. Howard	LeRoy Saylor
John D. Beatty	Maurice G. Howard	James S. Shaw
R. O. Blevins	Barkley Jones	Forest Smith
L. E. Bradley	Homer E. Losey	J. Claude Stacy
Thomas L. Britton	Damon Majors	Roy Steers
Mrs. M. E. Burnett	Jack McPherron	Mrs. Thelma Stovall
Stanley Carter	Alton Mitchell	Ralph N. Walter
B. H. Crider	Emmett G. Moore	Harry Lee Waterfield
R. C. Estep, Sr.	Dr. C. E. Palmore	Lyle H. Webb
C. A. Hammons	Leonard W. Preston	Morris Weintraub
Harold G. Helm	Hobart Rayburn	Charles W. Wirsch
Woodrow W. Hollan	Carl J. Ruh	—35

Resolved that the title thereof be as aforesaid.

Mr. Runyan moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

S. B. No. 173. AN ACT relating to officers and employes of cities of the second class operating under the commission form of government.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 90.300 of the Kentucky Revised Statutes is amended to read as follows:

(1) In KRS 90.310 to 90.140, unless the context requires otherwise:

(a) “Administrative or directorial position” means the head of a department of municipal government. Provided further,

that; in any city of the second class which has heretofore elected to operate under KRS 90.310 to 90.410, and in which any administrative or directorial position has not been included in the class of employees subject to civil service, any person holding any such an administrative or directorial position, who is past the age of forty-five years and who has filled such position for a period of not less than one year next prior to December 31, 1945, may, if he elects, continue in said position without taking the competitive examination required by KRS Section 90.320.

(b) "Appointing authority" means the officer, commission, board or body having the power of appointment or removal in any office, department, commission, board or institution.

(c) "Civil service" means the offices and positions of trust or employment in the service of the city not specifically excluded by KRS 90.310 to 90.410 or by ordinance of the city as provided in KRS 90.310.

(d) "Commission" means the board of civil service commissioners as established under KRS 90.310.

(e) "Dismissal" means the discharge of an employee.

(f) "Employee" means any person employed in the conduct of municipal affairs including an administrative or directorial position established for cities of the second or third class, but the term shall not include the mayor or city manager, and in cities of the second class it shall not include the offices of the Board of Health, members of the Planning and Zoning Commission, the Board of Trustees of the Public Library, members of the Housing Commission, Municipal Hospital Commission or the trustees, members or corresponding officers of similar boards of commissions of cities of the second class, persons employed on temporary and special projects or to persons whose regular employments with the city are seasonal and are less than nine months in any one year, and the city clerk or city assessor of a city of the second class operating under the commission form of government.

(g) "Pension fund" means the moneys derived from the employees and the levy of a special tax, either or both, or any

other sum derived from any other source, to be used for the retirement of employes after the prescribed years of service and for the benefit of disabled employes, and widows and dependent children in the case of death of an employe within the scope of employment according to the terms of KRS 90.310 to 90.410 and the ordinance of the city.

(2) The provisions of KRS 90.310 to 90.410 are independent of and do not affect the laws governing the police and fire departments, nor their pension funds, in cities of the second and third classes.

Section 2. Subsection (2) of Section 95.010 of the Kentucky Revised Statutes is amended to read as follows:

(2) As used in KRS 95.430 to 95.690 the following words and terms shall have the following meaning, unless the context requires otherwise:

(a) "Dismissal" means the discharge of an employe by the division or department head, civil service board, or other lawful authority.

(b) "Eligible list" means a list of names of persons who have been found qualified through suitable competitive examinations for positions or classes of positions.

(c) "Fire department" means and includes all officers, firemen, and clerical or maintenance employes of the fire department.

(d) "Police department" means and includes all officers, policemen, and clerical or maintenance employes of the police department.

(e) "Member" means any and all officers, firemen, policemen, clerical or maintenance employes in the police or fire department, except that as used in subsections (1) and (3) of KRS 95.440, and KRS 95.450, 95.460, 95.470, 95.550, 95.560, 95.565, 95.570 and 95.580 it shall not include the chief of police in a city of the second class operating under the commission form of government.

(f) "Police force" means and includes all officers and policemen in the police department.

(g) "Policeman" means a member of the police department below the rank of officer, other than a clerical or maintenance employe.

(h) "Fireman" means a member of the fire department below the rank of officer, other than a clerical or maintenance employe.

(i) "Salary" means any compensation received for services.

(j) "Suspension" means the separation of an employe from the service for a temporary or fixed period of time, by his appointing authority, as a disciplinary measure.

(k) "Pension fund" shall mean the monies derived from the members of the police and fire departments' salary or salaries and appropriations by the legislative body, or any other means derived from whatever source by gifts or otherwise to be used for the retirement of members of the police and fire departments after the prescribed number of years of service, and for the benefit of disabled members of police and fire departments, and for the benefits of widows and dependent children or dependent fathers or mothers in the case of death of any member of the police or fire department within the scope of his employment.

Mr. Spaulding moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for he third time by its title only.

Said motion was agreed to by a majoity of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	C. A. Hammons	C. S. Nabb
Bill Adams	James P. Hanratty	Dr. C. E. Palmore
Sidney Baer	George F. Harris	James H. Polsgrove
Clarence J. Barnum	Paul E. Hayes	Leonard W. Preston
C. E. Baumgardner	John A. Head	W. R. Reasor
John D. Beatty	E. R. Hilton	Amos Runyan
Fred Beshear	Ray Holbrook	Dr. Roy Sanders
R. O. Blevins	Woodrow W. Hollan	LeRoy Saylor
L. E. Bradley	Chester J. Holsclaw	Jesse H. Shelton
Edward O. Bridgers	Richard R. Houpt	Forest Smith
Thomas L. Britton	Maurice G. Howard	Joseph T. Snapp
Charles J. Bronston	Robert N. Hubbard	John M. Spaulding
J. D. Buckman, Jr.	Silas Jacobs	Raymond D. Stigall
Mrs. M. E. Burnett	Barkley Jones	Mrs. Thelma Stovall
Charles W. Burnley	William Jones	W. R. Stringer
Alex Calvert	Mrs. J. T. Linton	Egbert V. Taylor
Paul Combs	Homer E. Losey	M. G. Thompson
R. Josh Cosby	A. L. (Chick) Love	Rev. T. H. Tinsley
B. H. Crider	Harry K. Lowman	Ralph N. Walter
G. I. Drury	True Mackey	Fred M. Warns
Thomas R. Duncan	G. Lee McClain	Lyle H. Webb
R. C. Estepp, Sr.	Jack McPherron	Morris Weintraub
Mitchell S. Fannin	Alton Mitchell	G. F. Williamson
Henry C. Hale	Emmett G. Moore	Charles W. Wirsch

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Those who voted in the negative were—

Carl J. Ruh	Paul E. Shannon	Gus Sheehan, Jr.
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Resolved that the title thereof be as aforesaid.

Mr. Spaulding moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 368. AN ACT relating to city streets, viaducts and bridges, that constitute the route of connection between or extension of state roads in the state highway system, and providing for the construction and maintenance of the same by the Commonwealth, and for the regulation of traffic thereon, and for penalties for violation of such regulations, and amending KRS 177.043 and KRS 177.046.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.043 is amended to read as follows:

On and after July 1, 1942, the Department of Highways may maintain and repair, construct and reconstruct under its control and supervision such city streets so designated by the Commissioner of Highways, and may make appropriations and expenditures out of its fund for such purposes. The department may enter into any and all contracts inclusive of agreements with cities and with any Federal agencies authorized so to do for such purpose.

Section 2. KRS 177.046 is amended to read as follows:

(1) Nothing in KRS 177.041 to KRS 177.047 shall require the Department of Highways to sweep, sprinkle, light, or police city streets designated for state maintenance, but the Commissioner of Highways may by official order assume the responsibility for regulating traffic on such streets. When such responsibility has been assumed, the Commissioner may restrict or regulate traffic in any manner reasonably calculated to promote the safety and convenience of the traveling public, and to protect and preserve the streets. Such regulations may include, but are

not exclusive of, the establishment of traffic lanes, the installation of electric signals and other signs and markers, the limitation or prohibition of parking, and the regulation or prohibition of a size or weight deemed likely to impede traffic or injure the streets.

(2) Nothing herein shall be construed to prevent the Commissioner of Highways from contracting with the city authorities for the joint installation of signs, markers, and electric signals, and for the maintenance of electric signals at the cost of the city.

(3) Any person who violates any of the regulations established under the authority of this section shall be guilty of a misdemeanor, and upon arrest and conviction therefor, shall be punished by a fine of not less than \$5.00 nor more than \$100.00.

Mr. Buckman moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Henry C. Hale	Alton Mitchell
Bill Adams	C. A. Hammons	C. S. Nabb
Sidney Baer	James P. Hanratty	Dr. C. E. Palmore
Clarence J. Barnum	George F. Harris	W. R. Reasor
Fred Beshear	Paul E. Hayes	Carl J. Ruh
R. O. Blevins	John A. Head	Amos Runyan
Edward O. Bridgers	Ray Holbrook	LeRoy Saylor
Thomas L. Britton	W. W. Hollan	Paul E. Shannon
Charles J. Bronston	Richard R. Houpt	Gus Sheehan, Jr.
J. D. Buckman, Jr.	Durham W. Howard	Jesse H. Shelton
Mrs. M. E. Burnett	Robert N. Hubbard	Forest Smith
Charles W. Burnley	Silas Jacobs	Joseph T. Snapp
Alex Calvert	Barkley Jones	John M. Spaulding
Stanley Carter	William Jones	Raymond D. Stigall
Paul Combs	James W. Lambert	Mrs. Thelma Stovall
R. Josh Cosby	Mrs. J. T. Linton	W. R. Stringer
B. H. Crider	A. L. (Chick) Love	M. G. Thompson
Owen Deering	Harry K. Lowman	Rev. T. H. Tinsley
G. I. Drury	True Mackey	Ralph N. Walter
Thomas R. Duncan	Damon Majors	Fred M. Warns
R. C. Estep, Sr.	G. Lee McClain	Lyle H. Webb
Mitchell S. Fannin	Jack McPherron	Geo. F. Williamson

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Those who voted in the negative were—

Homer E. Losey	Roy Searcy	Morris Weintraub
Leonard W. Preston	Roy Steers	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration a resolution which was reported from the Senate on March 1, 1950, of the following title, viz:

S. Res. No. 52. A JOINT RESOLUTION memorializing Congress to restore to the University of Kentucky the land-grant

college endowment funds granted under the Morrill-Nelson and related acts and now arbitrarily diverted and withdrawn by the Administrator of Veterans' Affairs for his separate purposes.

Said resolution is as follows, viz:

WHEREAS, the Administrator of Veterans' Affairs has arbitrarily claimed credit for funds appropriated by the Congress of the United States, in a series of acts extending over many decades, to the University of Kentucky, such arbitrary action consisting of said Administrator's order that large sums paid under the Morrill-Nelson, Bankhead-Jones and possibly other acts be turned over to the Veterans' Administration, in effect, so that the Veterans' Administration can apply such funds to help it administer the GI Bill of Rights; and

WHEREAS, the entire history of Federal acts for assistance to the several states in the establishment of a national system of land-grant institutions shows clearly the endowment character of the funds granted thereunder and that such funds were appropriated on a basis and for purposes wholly distinct and separate from the emergency education of veterans; and

WHEREAS, the Commonwealth of Kentucky in good faith established the University of Kentucky, and has since maintained and supported it, in reliance upon the good faith of the Federal government's provision for its endowment by the series of acts which the Administrator of Veterans' Affairs now in large measure and in effect has ordered nullified and temporarily repealed; and

WHEREAS, the loss to the University of Kentucky and the Commonwealth of Kentucky as the direct result of this arbitrary action already amounts to \$265,529.31; and

WHEREAS, the legislative history of the GI Bill of Rights makes it unmistakably plain that the Administrator of Veterans' Affairs has, in diverting these funds, flatly contravened the intent of Congress;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That the General Assembly of the Commonwealth of Kentucky in regular session assembled, the Senate and House concurring, memorializes the Eighty-First Congress of the United States to enact legislation relieving the University and the Commonwealth of Kentucky from the retroactive effect and any future effect of the recent arbitrary order of the Administrator of Veterans' Affairs by which sums of money previously appropriated to land-grant colleges by the Congress under the Morrill-Nelson, Bankhead-Jones and possibly other acts are in effect to be withdrawn and diverted by said Administrator to further his administration of the GI Bill of Rights.

Sec. 2. That the Senators and Representatives of Kentucky in the Eighty-First Congress are urged to support Senate Bill 2909 or House Bill 7057 which have been introduced in the Congress to accomplish the foregoing.

Sec. 3. Copies of this memorial, duly authenticated, shall be sent by the Clerk of the Senate to the President and Chief Clerk of the Senate of the United States, the United States Senators from Kentucky, the Speaker and Chief Clerk of the House of Representatives of the United States, and the Representatives in Congress from Kentucky.

Mr. Carter moved that the House do now concur in said resolution.

Said motion was agreed to, and

Thereupon, said resolution was then concurred in.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 9. AN ACT relating to marriage licenses, amending Section 402.080 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 402.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) No marriage shall be solemnized without a license therefor. The license shall be issued by the clerk of the county in which the female resides at the time, unless the female is of full age or a widow, and the license is issued on her application in person or by writing signed by her, in which case it may be issued by any county clerk.

(2) When either one or both applicants is under twenty-one years of age, no county clerk shall issue a marriage license until the application for the marriage license remains on file, open to the public, in the office of the county court clerk, for three days before license is issued.

Mr. Burnley offered the following amendment to said bill, viz:

Amend printed copy of House Bill No. 9, on page 1, subsection 2, line 5, by adding thereto the following sentence:

“No county clerk shall issue any license unless the applicants have presented to him their birth certificates or other public documents attesting their age.”

Said amendment to said bill was agreed to.

Mr. Burnley moved the Previous Question.

Whereupon, the Speaker announced, “Shall the Main Question be now put?”

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and rejected.

The following pair was announced:

Mr. Smith, if voting, would vote in the affirmative;

Mr. Carter, if voting, would vote in the negative.

The yeas and nays being taken thereon in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bill Adams	James P. Hanratty	Emmett G. Moore
John D. Beatty	Paul E. Hayes	C. S. Nabb
Fred Beshear	Ray Holbrook	James H. Polsgrove
R. O. Blevins	W. W. Hollan	Hobart Rayburn
Thomas L. Britton	W. M. Horn	Amos Runyan
J. D. Buckman, Jr.	Durham W. Howard	Dr. Roy Sanders
Alex Calvert	Maurice G. Howard	LeRoy Saylor
Paul Combs	James W. Lambert	James S. Shaw
G. I. Drury	A. L. (Chick) Love	J. Claude Stacy
R. C. Estep, Sr.	True Mackey	W. R. Stringer
Henry C. Hale	G. Lee McClain	Lyle H. Webb
C. A. Hammons	Jack McPherron	

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Those who voted in the negative were—

Bernam Adams	C. E. Baumgardner	Charles J. Bronston
Sidney Baer	Leonard T. Bean	Mrs. M. E. Burnett
Clarence J. Barnum	Edward O. Bridgers	Charles W. Burnley

R. Josh Cosby	Homer E. Losey	Joseph T. Snapp
Owen Deering	Harry K. Lowman	John M. Spaulding
Thomas R. Duncan	Damon Majors	Roy Steers
Mitchell S. Fannin	Alton Mitchell	Raymond D. Stigall
George F. Harris	Walter R. Moorman	Mrs. Thelma Stovall
John A. Head	Dr. C. E. Palmore	Egbert V. Taylor
E. R. Hilton	Leonard W. Preston	Rev. T. H. Tinsley
Chester J. Holsclaw	W. R. Reasor	Ralph N. Walter
Richard R. Houpt	Carl J. Ruh	Fred M. Warns
Robert N. Hubbard	Roy Searcy	Harry Lee Waterfield
Silas Jacobs	Paul E. Shannon	Morris Weintraub
Paul S. Jonas	Gus Sheehan, Jr.	George F. Williamson
Barkley Jones	Jesse H. Shelton	Charles W. Wirsch
Mrs. J. T. Linton		—49

And so said bill was rejected.

Mr. Preston moved that the vote by which said bill was rejected be reconsidered and that said motion be laid on the table.

Said last named motion was disagreed to.

Mr. McPherron moved that the rules be suspended and Bill Joe "Fat Foot" Duvall, of Owenton, Kentucky, be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 367. AN ACT relating to powers of attorney, repealing, amending and re-enacting Section 382.370, Kentucky Revised Statutes, and fixing a penalty for the violation thereof.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) That Section 382.370, Kentucky Revised Statutes, be, and the same is hereby repealed, amended and re-enacted so as to read:

"382.370(1). No power of attorney to convey or release real estate or personal property, or to create or release an obligation shall be valid until it is signed, acknowledged and recorded in the County Court Clerk's office in each county where the authority granted is to be, or is exercised or become effective and such power so granted and recorded shall not be deemed to be revoked by any act of the party by whom it was executed except from the time when written revocation thereof is signed, acknowledged and lodged for record and the recording fees paid by the party who promulgated the power of attorney in each County Clerk's office in Kentucky where said power was recorded.

(2) Any person exercising or attempting to exercise in any county, any authority under a power of attorney, when that power of attorney has not been previously lodged for record in the office of the County Clerk of that county, or any county where such authority is to become effective and the recording fee paid, or who exercises or attempts to exercise the authority granted therein in that or any county after that authority has been revoked of record as heretofore provided, shall be guilty of a misdemeanor and upon conviction shall be fined not less than fifty nor more than one hundred dollars by the court or jury trying him.

(3) All acts or parts of acts in conflict with this act are hereby repealed to the extent of the conflict.

Mr. Hayes moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Harry K. Lowman
Sidney Baer	George F. Harris	True Mackey
Clarence J. Barnum	Paul E. Hayes	Damon Majors
C. E. Baumgardner	John A. Head	Jack McPherron
Leonard T. Bean	E. R. Hilton	C. S. Nabb
Fred Beshear	Ray Holbrook	W. R. Reasor
Edward O. Bridgers	Woodrow W. Hollan	Roy Searcy
Charles J. Bronston	W. M. Horn	Paul E. Shannon
J. D. Buckman, Jr.	Richard R. Houpt	Gus Sheehan, Jr.
Mrs. M. E. Burnett	Maurice G. Howard	Joseph T. Snapp
Charles W. Burnley	Robert N. Hubbard	Mrs. Thelma Stovall
Alex Calvert	Silas Jacobs	W. R. Stringer
Paul Combs	Paul S. Jonas	Rev. T. H. Tinsley
R. Josh Cosby	Barkley Jones	Fred M. Warns
Thomas R. Duncan	Mrs. J. T. Linton	G. F. Williamson

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Those who voted in the negative were—

C. A. Hammons	James W. Lambert	Emmett G. Moore
Harold G. Helm	A. L. (Chick) Love	LeRoy Saylor
Durham W. Howard		

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Resolved that the title thereof be as aforesaid.

Mr. Hayes moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 377. AN ACT concerning the imposition, collection, disposition of license taxes; restriction on ad valorem

taxation; and the issuance and enforcement of licenses in cities of the first class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 91.200 of the Kentucky Revised Statutes concerning the imposition, collection, disposition of license fees; restriction on ad valorem tax for Sinking Fund; and issuance and enforcement of licenses in cities of the first class is hereby amended and reenacted so that as so amended and reenacted same shall read as follows:

(1) The Board of Aldermen of every city of the first class, in addition to levying ad valorem taxes, may by ordinance impose license fees on franchises, provide for licensing any business, trade, occupation or profession, and the using, holding, or exhibiting of an animal, article, or other thing. License fees on such business, trade, occupation or profession for revenue purposes shall be imposed at a rate not to exceed one percentum of (a) salaries, wages, commissions and other compensations earned by every person within the city for work done and services performed or rendered in the city, and (b) the net profits of all businesses, professions, or occupations from activities conducted in the city. Licenses imposed for regulatory purposes shall not be subject to such limitations as to form and amount. No company that pays an ad valorem tax and a franchise tax shall be required to pay a license tax, and no license tax shall be imposed upon or collected from any bank, trust company, combined bank and trust company or combined trust, banking and title business in this state or in other cases where the city is prohibited by statute from imposing a license tax.

(2) License fees or taxes shall be collected by the Commissioners of the Sinking Fund. The proceeds from such taxes shall be paid to the Secretary and Treasurer of the Sinking Fund until income from all sources of the Sinking Fund, including any surplus existing on the effective date of this Act, shall be

sufficient to pay the costs of administration and the interest charges for the current fiscal year of the Sinking Fund, in addition to a sum sufficient to amortize the outstanding principal indebtedness of the city on a yearly basis in accordance with regularly used amortization tables. From revenues remaining, after meeting the foregoing requirements of this section, there shall be paid into the general fund of the city an amount not to exceed three million dollars (\$3,000,000.00) in any one fiscal year. Any surplus remaining after the Sinking Fund requirements hereinabove set forth have been met, and after the said payment of three million dollars (\$3,000,000.00) in any one fiscal year into the general fund of the city has been made, shall be paid over to the city to be placed in an account to be designated as the "Special Capital Fund Account" and expended for capital improvements as hereinafter defined, and for no other purpose: Provided, however, that at least eighty percent (80%) of any payment made into said "Special Capital Fund Account" during the calendar year 1950 shall be used for paying the city's share of the cost of acquiring rights-of-way necessary to the establishment and improvement of major streets and expressways in the city the construction of which is to be paid in whole or in part from funds provided by the Commonwealth of Kentucky and the United States of America, or either of them.

(3) The term "capital improvements," as used herein, shall refer to lands, or buildings and structures, or either or both, but shall be limited to additions or improvements of a substantial and permanent nature and shall include but not be limited to the purchase of rights-of-way for highways and expressways, the purchase of lands for park and recreational purposes and for public off-street parking facilities in congested areas, the construction of municipal buildings wherein any essential governmental function of the municipality, or any department thereof, may be located or carried on and for the purchase and installation of traffic control lights. The term "capital improvements" as used herein shall not include the maintenance of existing streets or other public ways, except that the purchase of rights-of-way for widening of existing streets shall be considered a capital improvement as herein defined.

(4) Ad valorem taxes for the benefit of the Sinking Fund shall not be levied unless the income of the Sinking Fund is otherwise insufficient to meet such requirements.

(5) Licenses shall be issued and enforced on such terms and conditions as may be prescribed by ordinance.

Mr. ———— moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Mrs. M. E. Burnett	John A. Head
Sidney Baer	Charles W. Burnley	Harold G. Helm
Clarence J. Barnum	Alex Calvert	E. R. Hilton
C. E. Baumgardner	Paul Combs	Ray Holbrook
Leonard T. Bean	R. Josh Cosby	Woodrow W. Hollan
Fred Beshear	Thomas R. Duncan	Chester J. Holsclaw
L. E. Bradley	R. C. Estepp, Sr.	W. M. Horn
Edward O. Bridgers	James P. Hanratty	Richard R. Houpt
Charles J. Bronston	George F. Harris	Maurice G. Howard
J. D. Buckman, Jr.	Paul E. Hayes	Robert N. Hubbard

Silas Jacobs	Walter R. Moorman	Gus Sheehan, Jr.
James W. Lambert	C. S. Nabb	Joseph T. Snapp
Mrs. J. T. Linton	James H. Polsgrove	Roy Steers
A. L. (Chick) Love	W. R. Reasor	Mrs. Thelma Stovall
Harry K. Lowman	Amos Runyan	W. R. Stringer
True Mackey	Dr. Roy Sanders	Rev. T. H. Tinsley
Damon Majors	LeRoy Saylor	Fred M. Warns
Jack McPherron	Roy Searcy	Harry Lee Waterfield
Emmett G. Moore	Paul E. Shannon	G. F. Williamson

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the rules be suspended for the purpose of introducing bills and resolutions.

Said motion was agreed to by a majority of the members elected.

Whereupon, bills and a resolution of the following titles were introduced, viz:

By Mr. Burnley.

H. B. No. 457. AN ACT relating to the operation of vehicles upon city streets, amending Section 92.320 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 92.320 of the Kentucky Revised Statutes is amended to read as follows:

Any person having a license to operate a vehicle in the city in which he resides or has his principal place of business may

also, for the purpose of doing business incidental to his principal business, operate the vehicle upon the streets of any other city without paying any additional license fee to such other city, but such license shall not authorize him to establish his principal place of business or conduct his principal business in any city except the one that granted his license.

By Mr. Calvert.

H. B. No. 458. AN ACT appropriating money out of the General Expenditure Fund for the fiscal year ending June 30, 1950, for expenses of sessions of the General Assembly, and declaring an emergency.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. There is hereby appropriated out of the funds in the General Expenditure Fund not otherwise appropriated for the fiscal year ending June 30, 1950, the sum of One Hundred Thousand Dollars (\$100,000.00) for expenses of Sessions of the General Assembly.

2. Whereas, there is insufficient funds on hand for the expense of Legislative Sessions for the fiscal year ending June 30, 1950, and it is necessary that funds be immediately provided for this Session of the General Assembly, an emergency is declared to exist and this Act shall take effect from and after its passage and approval by the Governor.

By Mr. Holsclaw.

H. B. No. 459. AN ACT authorizing the acquisition, construction, maintenance, extension, improvement and operation of natural, artificial or combined systems for the manufacture or distribution of natural or artificial gas and the renting or leasing thereof by cities and districts; providing for the organization, creation, operation and change of gas districts; providing for the acquisition of property for gas systems by condemnation; pro-

viding for the jurisdiction of the Public Service Commission; authorizing the issuance of tax free revenue bonds for, and the creation of a statutory mortgage lien on, gas systems, and the use of tax revenues and other funds for such systems; providing procedure in event of annexation of gas district by incorporated city; and providing for letting of contracts.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1—*Definitions.* As used in this Act, unless the context requires otherwise:

(1) "System" or "project" means any lands, buildings or structures, works or facilities suitable for and intended for use as public property for either a natural, artificial or combined natural and artificial gas system for distribution or manufacture and distribution of gas, as well as improvements or additions to any such lands, buildings, structures, works or facilities.

(2) "Municipal corporation" means a city of any class or a district outside of an incorporated city created and organized as hereinafter in this Act provided for.

(3) "Governing body" means the legislative body of a city or the commissioners of a district, as the case may be.

Section 2—*Creation of gas district; notice; procedure.* A gas district may be created in any county outside the corporate limits of a city in the following manner:

(1) Any county court, upon petition of seventy-five (75) resident freeholders of the proposed district, may establish a gas district and appoint gas commissioners for the purpose of furnishing a gas supply to the citizens of the district. The petition shall describe the territory intended to be included in the district and shall set forth the reasons why such a district would be economically sound and needed by the residents thereof.

(2) When the petition has been filed, the court shall give notice of the filing by publication in two issues of a newspaper

of general circulation in the county where the proposed district is located and by posting notices in at least three public places in the proposed district. Within thirty days after the publication and notice, any resident of the proposed district may file objections to its creation in the county court; whether or not such objections are filed, the court shall set the case for hearing within ten days after the end of such thirty day period. If the court, after hearing, finds that the establishment of such district is reasonably necessary for the convenience and comfort of the residents and is economically feasible, it shall make an order establishing the district and designating it by name, which shall be "----- Gas District of ----- County, Ky."

(3) In said order, the court may strike off any part of the territory that the testimony shows will not be benefited by the creation of the district or in which the project will not be economically feasible. If the court finds that the district is not necessary, it shall dismiss the petition. Either party may thereupon appeal from the order of the county court to the circuit court, where a trial shall be had de novo, and from such trial either party may appeal to the Court of Appeals, as provided in other cases.

Section 3—*Gas district commissioners; organization; term; bond; vacancy; salary.* (1) After the county court has entered an order creating a gas district, the court shall appoint three gas district commissioners from among the residents of the district. A commissioner who moves his residence outside the district shall automatically vacate his office. In the event that the territory of the gas district overlaps the territory of any other district created pursuant to law, it shall not be considered an incompatible office if a gas district commissioner is also the commissioner of some other overlapping district. One of the commissioners originally appointed shall be appointed for a term of two years, one for a term of three years and one for a term of four years. Thereafter, their successors shall be appointed for terms of four years. The commissioners shall elect from their membership a chairman, a secretary and a treasurer.

(2) The commission shall be a body corporate for all purposes, and may make contracts for the district with municipali-

ties or other business organizations or individuals for a gas supply. It may prosecute and defend suits in its corporate name and do all acts necessary to carry on its work.

(3) Each commissioner shall execute a bond, to be approved by the county court, in the amount of One Thousand Dollars (\$1,000.00) and shall be sworn faithfully to perform the duties of his office. The treasurer of the commission shall, in addition to the bond required of him as a commissioner, make an additional bond to the commission in the amount of Five Thousand Dollars (\$5,000.00). All employees of the district handling any of its funds shall furnish bonds with good surety in amounts to be fixed by the commission to insure faithful performance of their duties. Premiums for surety bonds shall be borne by the district as operating expenses of the system.

(4) Vacancies in any office of commissioner shall be filled by the county court.

(5) Each commissioner shall receive a salary for his services of not less than Two Hundred Dollars (\$200.00) nor more than Six Hundred Dollars (\$600.00) per annum, to be fixed by the commission subject to the approval of the county court and paid out of gas district moneys as an expense of operating the system. It shall be the treasurer's duty to pay out the funds of the commission either upon presentation of warrants signed by the chairman and countersigned by the secretary or upon approval of the charge by the full commission. The treasurer shall receive no additional compensation for his services.

(6) The district commissioners may appoint a competent superintendent for the system, who shall be subject to the orders of the commission. Such superintendent, with the approval and consent of the commissioners, may employ all necessary labor and assistants in the performance of his duties and shall report to the commission, at such regular periods as may be required by it, all income and expenses of the system. The salary of the superintendent and other employees shall be fixed by the commission and paid as other salaries provided for in this Act.

(7) Any commissioner may be removed by the county court after public hearing only for misfeasance or non-feasance in office, after written charges served upon the accused com-

missioner not less than one week before the date of the hearing, at which he shall have the right to be represented by counsel to confront witnesses and to examine or cross-examine them. Any commissioner so removed shall have the right to appeal to the circuit court on the record made in the county court, and thence to the Court of Appeals.

Section 4—*Change of districts; procedure.* The territorial limits of an established gas district may be enlarged or diminished in the following manner:

(1) The commission shall file a petition with the county court, describing the territory to be annexed or stricken off, and setting forth the reasons therefor.

(2) Notice of the petition shall be given by the publication in one issue of a newspaper of general circulation in the county and by posting copies of such notice in three public places within the district and within the area to be annexed or stricken. Within thirty days after the publication of such notice, any resident of the gas district or the territory proposed to be annexed or stricken may file objections in the county court.

(3) Whether or not any objections are filed, the county court shall set the matter for hearing within ten days after the aforesaid thirty day period has expired, and if the court finds that it is reasonably necessary, the court shall enter an order annexing or striking off the territory in question. If the court finds that the proposed change is unnecessary, it shall dismiss the petition. Either party may appeal to the circuit court, where the matter shall be heard de novo, and from the circuit court to the Court of Appeals, as provided by law.

Section 5—*Operation and management of system owned by city; gas commission.* (1) Any city, constructing or acquiring a gas system under the provisions of this Act shall, by ordinance, provide for the operation of the system under the direction of a commission created for that purpose. The commission shall have absolute control of the plant in every respect, including its operating and fiscal management and the regulation of rates, except that in fixing rates, the commission shall be governed by the pro-

visions of Section 12 of this Act and by any ordinance enacted under that Section. The commission shall provide rules for the management of the system. Out of the revenues of the system, it shall pay operating expenses, repairs and necessary additions and provide sufficient reserve fund against any emergency that may arise. The commission shall, from time to time, pay to the city the surplus revenue derived from the operation of the plant after the bonds issued to finance the same have been paid and retired.

(2) Except as provided in KRS 61.070, no person shall be appointed a member of the commission who has, within the last two years before his appointment, held any city, county, state or federal office, or been a member of any committee of any political party, or who is related within the third degree to the mayor or a member of the city governing body. The commission shall not appoint to any subordinate office that it may create any person who is related to any commissioner, to the mayor or to any member of the city governing body. No officer or employee of the city, whether holding a paid or unpaid office, shall be eligible to be appointed as a member of said commission or to be employed by the commission in any capacity. The members of the commission shall be citizens, taxpayers and legal voters of the city and shall not at the time of appointment be indebted to the city or be surety on the official bond of any officer of the city. If at any time during the term of office, any member of the commission becomes a candidate for or is elected or appointed to any public office, he shall automatically vacate his membership on the commission and another person shall be appointed in his place.

(3) The city governing body shall fix the salary to be paid each member of the commission at a sum not to exceed Fifteen Hundred Dollars (\$1500.00) in cities of the first class, Twelve Hundred Dollars (\$1200.00) in cities of the second class, Nine Hundred Dollars (\$900.00) in cities of the third class, Six Hundred Dollars (\$600.00) in cities of the fourth class and Four Hundred Dollars (\$400.00) in the cities of the fifth and sixth classes.

(4) The first commissioners appointed under this Section shall be appointed one for the term of one year, one for the term

of two years and one for the term of three years. Upon the expiration of the first terms, successors shall be appointed for a term of three years.

Section 6—*Legal adviser; compensation.* (1) The city attorney, in the case of cities, shall act as legal adviser and counsel to the city in connection with legal services required in the issuance of bonds to finance the system or its operation; provided that the governing body of such city may authorize the commission to employ and pay other legal counsel to perform services in connection with the bond issue or the operation of the system, in the discretion of said governing body.

(2) A legal adviser and counsel to the gas district shall be employed by the district commission. He shall handle all legal business of the commission. Said counsel shall be compensated from funds of the gas district as determined by resolution of the commission. Legal services rendered to the district in connection with its creation shall be paid for in a reasonable amount by the commission, as shall be authorized by resolution.

Section 7—*Jurisdiction of Public Service Commission application of other laws.* (1) Every city or district which proposes to construct or acquire a gas system under the provisions of this Act shall be subject to the general supervision of the Public Service Commission and all the provisions of KRS 278.010 to 278.450, except as provided in subsection (2) of this section.

(2) No municipal corporation which owns a gas system under the provisions of this Act shall be required to pay any assessment or fees under KRS 278.130 to 278.150, or to furnish any service or property or supply gas as a utility company except as provided by this Act.

(3) In determining fair, just and reasonable rates for the services rendered or to be rendered by the system, the Public Service Commission shall give full consideration to the amount of revenue required to retire any proposed or outstanding revenue bonds issued to finance the acquisition or construction of the system and to maintain adequate operation, maintenance and depreciation funds therefor.

Section 8—*Power of municipal corporation to acquire or develop gas system and issue revenue bonds.* A municipal corporation, acting separately or jointly with one or more of any such corporations, may acquire, construct, maintain, add to and improve any gas system, as defined in Section 1 hereof, which system may be located within or without or partly within and partly without the territorial limits of such municipal corporation (except in the case of gas districts, in which the entire system shall be located within the district; provided that gas districts may build mains outside the district for the purpose of obtaining a supply of gas). For the purpose of defraying the cost thereof, the municipal corporation may borrow money and issue negotiable revenue bonds pursuant to a resolution or ordinance of its governing body, which resolution or ordinance shall set forth the proposed project, amount of revenue bonds to be issued and the maximum rate of interest to be paid thereon. Such resolution or ordinance shall provide that the project is being undertaken under the provisions of this Act.

Section 9—*Interest rate and maturity of bonds; leasing of project; acceptance of donations and Government aid.* (1) The bonds may be issued to bear interest at a rate not to exceed six per cent per annum, payable either annually or semi-annually, and shall be executed in such manner and be payable at such times, not exceeding thirty years from the date thereof, and at such place or places as the governing body of the municipal corporation determines.

(2) The bonds may provide that they or any of them may be called for redemption prior to maturity under conditions fixed by such governing body before issuing the bonds.

(3) Any municipal corporation is authorized to rent or lease such project or any portion thereof to any persons, partnerships, associations or corporations, either public or private.

(4) Any municipal corporation is hereby empowered to accept donations or gifts to the project from any source and to accept appropriations and grants to the project from the Federal Government or any agency thereof and appropriations from the State or any county, city or other political subdivision thereof

and, at the option of the municipal corporation, to pledge such donations, gifts or appropriations to the costs of the project or the payment of revenue bonds issued to finance such costs.

Section 10—*Bonds negotiable and tax free; method of sale; interest yield; payable solely from revenue; lien.* Bonds issued pursuant to this Act shall be negotiable and shall not be subject to taxation. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in such manner and upon such terms as the municipal corporation deems best, or any contract for the acquisition of a project may provide that the payment shall be made therefor in such bonds. In no event shall any bonds be issued on a basis to yield more than six per cent, except as provided in subsection (2) of Section 9 of this Act. The bonds shall be payable solely from the revenue derived from the project and shall not constitute an indebtedness of the city or district within the meaning of the Constitution. It shall be plainly stated on the face of each bond that it has been issued under the provisions of this Act and that it does not constitute an indebtedness of the municipal corporation within the meaning of the Constitution. A statutory mortgage lien shall exist upon the system, its appurtenances and extensions acquired under this Act in favor of the holders of the bonds and coupons.

Section 11—*Application of proceeds of bonds.* All money received from the bonds shall be applied solely for the acquisition, construction, maintenance or improvement of the project, and the necessary expense of preparing, printing and selling said bonds, or to advance the payment of the interest on the bonds during the first three years following the date of the bonds.

Section 12—*Receiver.* If there is any default in the payment of principal of or interest on any bond, any court having jurisdiction of the action may appoint a receiver to administer the project on behalf of the municipal corporation, with power to charge and collect rents, fees, rates and charges and to receive

any other available revenue sufficient to provide for the payment of any bonds or obligations outstanding against the project and for the payment of operating expenses, and to apply the income and revenue in conformity with this Act and the order, resolution or ordinance referred to in Section 8 hereof.

Section 13—*Maintenance, operating and depreciation funds; rentals, rates and charges.* (1) At or before the issuance of bonds, the governing body of the municipal corporation shall, by resolution or ordinance, set aside and pledge the income and revenue of the project, including rents, fees and proceeds of sales of property and from rents and charges for services derived from or rendered by the project, into a separate and special fund to be used and applied in payment of the cost thereof and in the maintenance, operation and depreciation thereof. The resolution or ordinance shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of principal and interest of the bonds, and the proportion of the balance of the income and revenue to be set aside as a proper and adequate depreciation account, and the remaining proportion of such balance shall be set aside for the reasonable and proper operation and maintenance of the project.

(2) The rents, fees, rates and charges for the services rendered or gas sold by the project shall be fixed and revised from time to time so as to be sufficient to provide for payment of interest upon all bonds, to create a sinking fund to pay the principal thereof when due, and to provide for the operation and maintenance of the project and an adequate depreciation account.

Section 14—*Transfer of surplus to depreciation account or bond redemption.* If a surplus is accumulated in the operation and maintenance funds equal to the cost of maintaining and operating the project during the remainder of the operating or fiscal year, and during the succeeding like year, then any excess over such amount may be transferred at any time by the governing body of the municipal corporation to the depreciation account, to be used for improvements, extensions or additions to the project; or if the funds in the depreciation account are deemed to be adequate, all or any part of such excess may be transferred to the separate and special fund maintained for the

payment of bonds and interest thereon and used to redeem bonds at the earliest permissible date. Provided, however, that in the case of a project operated by a city, such transfer shall be made only if recommended in writing by the commission operating the project pursuant to Section 5 of this Act.

Section 15—*Expenditure and investment of depreciation fund.* The funds accumulated in the depreciation account shall be expended in balancing depreciation in the project or in making new constructions, extensions or additions thereto. Any such accumulations may be invested as the governing body of the municipal corporation may designate, and if invested, the income from such investment shall be carried into the depreciation account.

Section 16—*Refunding bonds.* The governing body of the municipal corporation may issue new bonds to provide funds for the payment of any outstanding bonds in accordance with the procedure prescribed in this Act. The new bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded.

Section 17—*Additional bonds.* If the governing body of the municipal corporation finds that the bonds authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued in the same manner, and the ordinance or resolution authorizing the issuance of the original bonds may provide that such additional bonds shall rank on a parity with such original bonds upon such conditions and limitations as may be particularly set forth in said ordinance or resolution.

Section 18—*Bonds for extensions and improvements.* Any governing body of a municipal corporation acquiring any public project pursuant to the provisions of this Act may, at the time of issuing the bonds for acquisition, provide for additional bonds for extensions and permanent improvements, to be placed in escrow and to be negotiated from time to time as proceeds for the purpose may be necessary. Bonds placed in escrow shall, when negotiated, have equal standing with bonds of the same issue. Additional bonds may be issued at a later time for the acquisition or construction of additions and extensions to the project, as

provided in Section 17 of this Act, which bonds shall be junior and shall constitute a junior lien on the revenues of the project.

Section 19—*Use of general funds or revenues for public project.* The governing body of a city may use, for the purpose of acquiring, constructing, maintaining, extending or improving a project, or for the payment of interest or principal on any revenue bonds issued pursuant to this Act, any funds or tax revenues available for general purposes of the city and not required by law to be devoted to some other purpose.

Section 20—*Condemnation.* In the event a municipal corporation is unable to acquire, by purchase or agreement, any real property deemed necessary for the purposes of a project, such municipal corporation may acquire the same by condemnation. The procedure for condemnation shall be as provided in KRS 416.010 to 416.080, or as provided in KRS 416.120, whichever procedure is selected by the municipal corporation.

Section 21—*Procedure in event of annexation of county or district territory by incorporated city or town; operation; payment.* In the event that any territory which is occupied by a district gas system is annexed in whole or in part by any incorporated city owning a municipal gas system, such annexation shall in no way affect the operation of the system or the payment of bonds and interest thereon issued to finance the system; provided, however, that such city may pay to such district a sum sufficient to retire all bonds, including redemption premiums therefor and interest thereon, which would have been payable from the revenues of that portion of the system annexed by the city if the district had continued to operate the system. In the event that the city make such payment to the district, the city shall then operate and maintain the gas service to all consumers served by the lines lying within the territory annexed by the city. In the event that the city fails to make such payment to the district and the district continues to operate its gas system, then, after the entire issue of bonds, including renewals and extensions thereof, issued to finance the system have been paid and retired, the city shall have the right to incorporate that portion of the system lying within the area annexed by it into its municipally owned

system, without cost, upon the city's agreement to fulfill all of the district's obligations to gas consumers on the lines incorporated into the city system.

Section 22—*Letting of work; notice; procedure; bid bond.* Any leases for the operation of the system, any contracts for acquisition of existing gas properties or any contracts for construction under the provisions of this Act shall be entered into only in the following manner:

The governing body of the municipal corporation shall give notice of its proposed action in a newspaper of general circulation in the county where the improvement is located at the time and place of entering into the contract. In such notice, said governing body shall specify sufficient details of the proposed lease or contract so that prospective bidders and the public generally will be put on notice of the proposals of the governing body. On the date appointed for the letting of the contract, the governing body of the municipal corporation shall convene and let the contract to the most responsible bidder on terms most advantageous to the municipal corporation. The governing body may let the contract in whole or in part, in its discretion, or may reject any or all bids and readvertise if, in its judgment, the interest of the municipal corporation will be better served by doing so. Each bidder may be required to execute a bid bond or submit a certified check payable to the municipal corporation in an amount fixed by its governing body to assure that the bidder will enter into a contract with the municipal corporation if his bid is accepted. The successful bidder shall be required to enter into a contract with the municipal corporation and, in the case of construction work, to execute a bond for the faithful performance of the contract, with adequate sureties, in favor of the municipal corporation in an amount equal to at least fifty per cent of the estimated cost of the work awarded to him.

Section 23—*Repeal of conflicting acts; general repeal; constitutionality.* Chapter 68 of the Acts of the 1946 General Assembly of Kentucky, Codified as KRS 96.541 to 96.546, inclusive, providing for the construction or acquisition of an artificial gas system by cities of any class is hereby repealed. All Acts or portions of Acts in conflict with the provisions of this Act are

hereby, to the extent of such conflict, repealed. If this Act shall be held to be unconstitutional in any part, the unconstitutionality of such portion shall not be held to invalidate the entire Act.

By Mr. Durham Howard.

H. B. No. 460. AN ACT relating to the distribution of the common school equalization fund.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The introductory clause and subsection (7) of Section 157.051 of the Kentucky Revised Statutes are amended to read as follows:

As used in KRS 157.051 to 157.055:

(7) "Tax effort index" means the result obtained when a school district's assessment ratio is multiplied by such school district's tax rate and the product thereof is divided by a mathematical constant. The mathematical constant for the school year beginning on July 1, 1950, shall be .65 and shall increase yearly by .05 until it becomes .90 at which figure it shall remain until otherwise provided by law. A tax index of greater than *one* shall be considered as *one*.

By Mr. Hilton.

H. B. No. 461. AN ACT relating to a county treasurer, amending subsection (1) of Section 68.010 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (1) of Section 68.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) The fiscal court of each county, at its regular April term in 1952, shall appoint a county treasurer for a term of two years. Beginning with his appointment by the fiscal court at its regular April term in 1954, and thereafter, a county treasurer shall be appointed every four years for a term of four years. The term of any county treasurer appointed at any time prior to the regular April term of the fiscal court in 1952 shall expire in 1952. If for any reason the county treasurer is not appointed at the April term, the county judge shall call the fiscal court to meet immediately after the adjournment of the term on a day fixed by order entered on the order book of the court, and the meeting shall be held within two weeks after the adjournment of the April term.

By Mr. Jonas.

H. Res. No. 71. A JOINT RESOLUTION authorizing Beatrice Frazier to file suit against the Commonwealth of Kentucky, and the State Highway Commission, or either.

Said resolution is as follows, viz:

WHEREAS, on the thirtieth day of October, 1949, on a State maintained street in the City of Covington, Kenton County, Kentucky, commonly known as Fourth Street, and at the time being used and operated as part of the State Highway System, the said Beatrice Frazier fell into a hole which existed through the carelessness and negligence in maintaining said roadway and suffered severe and painful injuries as the result of said fall.

NOW, in order that said Beatrice Frazier may have her "day in Court" to determine by judicial action the question of negligence, if any, causing said fall and injuries.

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Beatrice Frazier be and she is hereby empowered and authorized to file and prosecute appropriate actions against the Commonwealth of Kentucky, and the State Highway Commission, or either, for the purpose of determining the liability of the

Commonwealth of Kentucky and the State Highway Commission, or either, for such injuries, if any there be; and in the event any judgment in the action is recovered by said Beatrice Frazier or same compromised or settled, same shall be paid by the Auditor of Public Accounts by warrant drawn on the State Treasurer and paid out of the General Fund. Either party to any suit may appeal from any judgment which may be entered therein as in any other civil suit and the case may be settled and adjusted with the consent and approval of the Attorney General of Kentucky in the same way as any other civil case.

Said action may be brought in any county of Kentucky having jurisdiction of the parties and subject matter. The limit of liability shall be Twelve Hundred (\$1,200.00) Dollars.

Ordered that said bills and said resolution be printed and referred to the Committee on Rules.

Mr. Hanratty moved that the House do now adjourn to meet again at 1 o'clock, p.m., Wednesday, March 8, 1950.

Said motion was agreed to.

And then the House adjourned.

WEDNESDAY, MARCH 8, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by Dr. Fred T. Moffatt, pastor of the First Baptist Church, of Frankfort, Ky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams
Bill Adams
Edgar Arnett

Sidney Baer
Walter J. Bailey
Clarence J. Barnum

C. E. Baumgardner
Leonard T. Bean
John D. Beatty

Fred Beshear	Ray Holbrook	Leonard W. Preston
R. O. Blevins	W. W. Hollan	Hobart Rayburn
L. E. Bradley	Chester J. Holsclaw	W. R. Reasor
Edward O. Bridgers	W. M. Horn	Carl J. Ruh
Thomas L. Britton	Durham W. Howard	Amos Runyan
Charles J. Bronston	Maurice G. Howard	Dr. Roy Sanders
J. D. Buckman, Jr.	Robert N. Hubbard	LeRoy Saylor
Mrs. M. E. Burnett	Silas Jacobs	Roy Searcy
Charles W. Burnley	Paul S. Jonas	Paul E. Shannon
Alex Calvert	Barkley Jones	James S. Shaw
Stanley Carter	William Jones	Gus Sheehan, Jr.
Paul Combs	James W. Lambert	Jesse H. Shelton
R. Josh Cosby	Mrs. J. T. Linton	Forest Smith
B. H. Crider	Homer E. Losey	Joseph T. Snapp
Owen Deering	A. L. (Chick) Love	John M. Spaulding
G. I. Drury	Harry K. Lowman	Roy Steers
Thomas R. Duncan	True Mackey	Raymond D. Stigall
R. C. Estep, Sr.	Damon Majors	Mrs. Thelma Stovall
Mitchell S. Fannin	John Martin	W. R. Stringer
Henry C. Hale	G. Lee McClain	Egbert V. Taylor
C. A. Hammons	Jack McPherron	M. G. Thompson
James P. Hanratty	Alton Mitchell	Rev. T. H. Tinsley
George F. Harris	Archie R. Moore	Ralph N. Walter
Paul E. Hayes	Emmett G. Moore	Fred M. Warns
John A. Head	Walter R. Moorman	Harry Lee Waterfield
Harold G. Helm	C. S. Nabb	Morris Weintraub
William K. Henry	Dr. C. E. Palmore	George F. Williamson
E. R. Hilton	James H. Polsgrove	Charles W. Wirsch

Mr. Hanratty moved that the reading of the Journal of the proceedings of Tuesday, March 7, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Hanratty moved that the rules be suspended and the House do now proceed to the Orders of the Day.

Said motion was agreed to by a majority of the members elected.

Mr. Waterfield moved to amend the motion as made by Mr. Hanratty.

The Speaker ruled the motion as made by Mr. Waterfield out of order as the motion as made by Mr. Hanratty had been agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 446. AN ACT relating to income taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Effective, with respect to individuals and corporations reporting under the provisions of Chapter 141 of the Kentucky Revised Statutes on a calendar year basis, beginning January 1, 1950, and, with respect to such individuals and corporations reporting on a fiscal year basis, with the first fiscal year that begins on or after January 1, 1950, and continuing, with respect to all such individuals and corporations, for a period of two full years, whether calendar or fiscal:

(1) In lieu of the rate of tax imposed by KRS 141.040, corporations required by KRS 141.040 to pay tax shall be taxed at the rate of four and one-half per cent of the entire net income of the corporation, or the portion thereof taxable within this state, determined as provided by Chapter 141 of the Kentucky Revised Statutes.

(2) Individuals required to pay a tax upon net income under the provisions of KRS 141.020 shall pay an annual tax at the rate and in the manner prescribed in that section, except that upon net income, as defined in Chapter 141 of the Kentucky Revised Statutes, in excess of eight thousand dollars, the rate of tax shall be six per cent.

(3) The taxes due as computed under the provisions of KRS 141.020 or under the provisions of KRS 141.025, by a married individual living with husband or wife or by an individual who is a head of a family shall be credited with only forty dollars.

(4) In addition to those persons required by KRS 141.180 to make returns, every individual, if married and living with husband or wife, having for the taxable year a net income, as defined in Chapter 141 of the Kentucky Revised Statutes, of two thousand dollars or over or a gross income of twenty-five hundred dollars or over, shall make to the Department of Revenue the return required by KRS 141.180.

(5) In addition to those fiduciaries required by KRS 141.190 to make returns, every fiduciary acting for an individual who is married and living with husband or wife, and whose entire income from whatever source derived is in the charge of the fiduciary, shall make the return required by KRS 141.190 if the net income of the individual for the taxable year, as defined in Chapter 141 of the Kentucky Revised Statutes, is two thousand dollars or over.

Sec. 2. To the extent only of conflict with this Act, the provisions of Chapter 141 of the Kentucky Revised Statutes are suspended for the period designated in Section 1 of this Act. Otherwise, that chapter shall remain in full force and effect, and this Act shall be interpreted, administered and enforced the same as the provisions of that chapter. The taxes provided for in this Act shall be paid, and the returns required by this Act made, at the same time and subject to the same provisions as provided in Chapter 141 of the Kentucky Revised Statutes for taxes imposed and returns required by that chapter, and any failure to comply therewith with respect to the provisions of this Act shall be penalized as provided in that chapter for similar failure of compliance.

Sec. 3. Taxes paid pursuant to the provisions of this Act shall be accounted for as other income tax revenues and deposited with the State Treasurer to the credit of the General Expenditure Fund, for general state purposes.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Mr. Preston moved that debate on said bill be extended to one hour.

The Speaker ruled said motion out of order, as it failed to include the suspension of rules.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Alex Calvert	E. R. Hilton
Bill Adams	Paul Combs	Ray Holbrook
Edgar Arnett	R. Josh Cosby	W. W. Hollan
Sidney Baer	B. H. Crider	Chester J. Holsclaw
Walter J. Bailey	Owen Deering	W. M. Horn
Clarence J. Barnum	G. I. Drury	Durham W. Howard
C. E. Baumgardner	Thomas R. Duncan	Robert N. Hubbard
Leonard T. Bean	R. C. Estepp, Sr.	Paul S. Jonas
John D. Beatty	Mitchell S. Fannin	Barkley Jones
Fred Beshear	Henry C. Hale	William Jones
R. O. Blevins	C. A. Hammons	James W. Lambert
Edward O. Bridgers	James P. Hanratty	Mrs. J. T. Linton
Thomas L. Britton	George F. Harris	Homer E. Losey
Charles J. Bronston	Paul E. Hayes	A. L. (Chick) Love
J. D. Buckman, Jr.	John A. Head	Harry K. Lowman
Mrs. M. E. Burnett	Harold G. Helm	True Mackey
Charles W. Burnley	William K. Henry	Damon Majors

John Martin	Dr. Roy Sanders	Egbert V. Taylor
G. Lee McClain	LeRoy Saylor	M. G. Thompson
Alton Mitchell	Paul E. Shannon	Rev. T. H. Tinsley
Archie R. Moore	Gus Sheehan, Jr.	Ralph N. Walter
Emmett G. Moore	Jesse H. Shelton	Fred M. Warns
Walter R. Moorman	Forest Smith	Harry Lee Waterfield
C. S. Nabb	Joseph T. Snapp	Morris Weintraub
James H. Polsgrove	John M. Spaulding	George F. Williamson
Leonard W. Preston	Raymond D. Stigall	Charles W. Wirsch
Hobart Rayburn	Mrs. Thelma Stovall	Adron Doran,
W. R. Reasor	W. R. Stringer	Speaker
Amos Runyan		

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Those who voted in the negative were—

L. E. Bradley	Jack McPherron	Roy Searcy
Stanley Carter	Dr. C. E. Palmore	James S. Shaw
Maurice G. Howard	Carl J. Ruh	Roy Steers
Silas Jacobs		

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Helm moved that the rules be suspended and Master Donald Sharp be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

Mr. Helm moved that the rules be suspended and Master Ronald Sharp be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

Mr. Steers moved that the rules be suspended and Lucy Jane James be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 447. AN ACT relating to education; including provisions for allocation and distribution of the school equalization fund and making appropriations for such fund and other educational purpose.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 157.051 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 157.051 to 157.055:

(1) "Equalization fund" means a special fund appropriated by the General Assembly for the specific purpose of equalizing educational services in the school districts of Kentucky.

(2) "Gross assessment" means the total assessment of all property in a school district subject to local school taxes, based, in school districts levying taxes upon a city assessor's assessment, upon the final local assessment made for school taxes, or, in school districts levying taxes upon the county tax commissioner's assessment, upon the assessment as certified by the Kentucky Tax Commission, and, in all school districts, upon an estimate made by the Department of Revenue of the franchise assessment and the assessment of other property subject to local school taxes in each school district. If such assessment has not become final by June 7 of any year, then the Department of Revenue shall on the basis of such other information as may be available make an estimate of the assessment of all property subject to local school taxes in each school district and this estimate shall be used as the gross assessment.

(3) "Potential revenue" means the sum obtained for a given school year by adding together the amounts obtained under paragraphs (a), (b) and (c) of this subsection and subtracting

therefrom the amount obtained under paragraph (d) of this subsection.

(a) The revenue that may accrue by applying, to the gross assessment, the maximum tax rate authorized by the General Assembly for a school district other than for sinking fund purposes.

(b) The amount distributable to a school district on a census pupil basis as provided in Section 186 of the Constitution.

(c) The amount of any other revenue which can reasonably be anticipated to recur in a school district.

(d) The amount spent for pupil transportation during the previous school year or the amount that would be obtained by levying a twenty-five cent tax rate on property and franchise assessments, whichever is smaller.

(4) "Arithmetic mean index" means the quotient obtained when the sum of the average daily membership and the average daily attendance of public school pupils residing in a school district is divided by two.

(5) "Net ability index" means the quotient obtained when the potential revenue of a school district is divided by the arithmetic mean index of such school district.

(6) "Assessment ratio" means the ratio determined by the Department of Revenue, from sales and other data, of the assessed value to fair cash value of property in a school district which is assessed locally and subject to a school tax levy.

(7) "Tax effort index" means the result obtained when a school district's assessment ratio is multiplied by such school district's tax rate and the product thereof is divided by a mathematical constant. The mathematical constant for the school year beginning on July 1, 1949, shall be .90 and shall increase yearly by .05 until it becomes 1.20, at which figure it shall remain until otherwise provided by law. A tax effort index of greater than *one* shall be considered as *one*.

(8) "Maximum equalization allotment" means the amount each participating district could receive from the equalization fund if all the participating districts had a tax effort index of *one*.

Sec. 2. Section 157.053 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Revenue shall furnish annually to the Superintendent of Public Instruction the gross assessment and the assessment ratio of each school district.

(2) The Superintendent of Public Instruction shall make a careful study to determine annually the net ability index for each school district in Kentucky. After all school districts in the state have been arranged in a rank order from high to low according to their net ability indices, the Superintendent of Public Instruction, with the approval of the State Board of Education, shall determine the maximum equalization allotment to each district so that when the total potential revenue of all participating districts, plus the equalization fund, is divided by the total arithmetic mean indices of all participating districts, it will give the same potential amount of money per pupil per year represented in the arithmetic mean index in each participating district.

(3) Each school district levying the maximum tax rate authorized by the General Assembly shall be allotted such part of the equalization fund as may be determined by multiplying the district's tax effort index by the district's maximum equalization allotment, provided, that a district which maintains an assessment ratio equal to or greater than that determined for the assessment made as of July 1, 1948, and levies the maximum tax rate authorized by the General Assembly, shall receive: not less than 95 percent of the district's maximum equalization allotment for the school year beginning July 1, 1949; not less than 90 percent for the school year beginning July 1, 1950; not less than 80 percent for the school year beginning July 1, 1951; not less than 70 percent for the school year beginning July 1, 1952; not less than 50 percent for the school year beginning July 1, 1953; and, not less than 25 percent for the school year beginning July 1, 1954, and thereafter, no school district shall receive any distribution from the equalization fund unless it has a tax effort index of *one* for the year of distribution.

(4) So much of the equalization fund which would not be distributed under subsection (3), due to the failure of one

or more participating districts to meet the full requirements of a tax effort index of *one* shall be applied so as to raise the state equalization level and shall be distributed in accordance with the general statistical principles set out in subsection (2) and (3).

Sec. 3. There is appropriated out of the General Expenditure Fund in the State Treasury, to the Common School Per Capita Fund, for the payment and increase of the monthly salaries of teachers and for no other purpose, the sum of \$142,500 per year for each of the fiscal years 1950-51 and 1951-52, this to be in addition to the sums appropriated to the Common School Per Capita Fund by House Bill No. 14 of the 1950 General Assembly.

Sec. 4. There is appropriated out of the General Expenditure Fund in the State Treasury, to the School Equalization Fund, for equalization of educational services in the common schools, to be expended as provided by law and regulations of the State Board of Education, the sum of \$2,057,500 per year for each of the fiscal years 1950-51 and 1951-52, this to be in addition to the sums appropriated to the School Equalization Fund by House Bill No. 14 of the 1950 General Assembly.

Sec. 5. There is appropriated out of the General Expenditure Fund in the State Treasury, to the Department of Education, for ordinary recurring expenses of operation in rehabilitating persons disabled in industry and otherwise, the sum of \$75,000 per year for each of the fiscal years 1950-51 and 1951-52.

Sec. 6. Whereas, in order that this Act may become operative during the 1950-51 school year, and the urgent needs of many school districts thus be relieved, it is essential that this Act become effective sufficiently in advance of the commencement of the 1950-51 school year to enable the necessary determinations and certifications to be made, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	R. Josh Cosby	W. M. Horn
Bill Adams	B. H. Crider	Durham W. Howard
Edgar Arnett	Owen Deering	Maurice G. Howard
Sidney Baer	G. I. Drury	Robert N. Hubbard
Walter J. Bailey	Thomas R. Duncan	Silas Jacobs
Clarence J. Barnum	R. C. Estepp, Sr.	Paul S. Jonas
C. E. Baumgardner	Henry C. Hale	Barkley Jones
John D. Beatty	C. A. Hammons	William Jones
Fred Beshear	James P. Hanratty	James W. Lambert
R. O. Blevins	George F. Harris	Mrs. J. T. Linton
L. E. Bradley	Paul E. Hayes	Homer E. Losey
Thomas L. Britton	John A. Head	A. L. (Chick) Love
Charles J. Bronston	Harold G. Helm	Harry K. Lowman
J. D. Buckman, Jr.	William K. Henry	True Mackey
Mrs. M. E. Burnett	E. R. Hilton	John Martin
Charles W. Burnley	Ray Holbrook	G. Lee McClain
Alex Calvert	W. W. Hollan	Jack McPherron
Paul Combs	Chester J. Holsclaw	Alton Mitchell

Archie R. Moore	LeRoy Saylor	W. R. Stringer
Emmett G. Moore	Paul E. Shannon	Egbert V. Taylor
Walter R. Moorman	James S. Shaw	M. G. Thompson
C. S. Nabb	Gus Sheehan, Jr.	Rev. T. H. Tinsley
Dr. C. E. Palmore	Jesse H. Shelton	Ralph N. Walter
James H. Polsgrove	Forest Smith	Fred M. Warns
Leonard W. Preston	John M. Spaulding	Harry Lee Waterfield
W. R. Reasor	Roy Steers	Morris Weintraub
Carl J. Ruh	Raymond D. Stigall	George F. Williamson
Amos Runyan	Mrs. Thelma Stovall	Charles W. Wirsch
Dr. Roy Sanders		—85

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Durham W. Howard moved that the rules be suspended and the privilege of the floor extended to Mr. James Pursifull.

Said motion was unanimously agreed to.

Mr. Horn moved that the rules be suspended and Jeanne Francis Mandt, Richard Daniel Mandt, Edward Julian Mandt be made Honorary Pages for the 1950 Regular Session.

Said motion was unanimously agreed to.

Mr. Horn moved that the rules be suspended and Samuel Hayes Horn, Jr., and James Dawson Horn be made Honorary Pages for the 1950 Regular Session.

Said motion was unanimously agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 448. AN ACT relating to persons performing public services or duties; including provisions concerning the

compensation and expenses of public officers and employes, and of other persons performing certain public services or duties, provisions for limiting the number of deputies or assistants of certain public officers; and making appropriations.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Effective, with respect to the offices of Governor and Lieutenant Governor, on the fifth Tuesday following the regular November election in 1951, and with respect to the other offices named in this section, on the first Monday in January, 1952, the compensation of the following named officers, payable monthly out of the State Treasury, shall be the sum per annum designated for the respective offices, as follows:

Governor, \$10,000.

Lieutenant Governor, \$3,000, this to be in addition to any per diem received during sessions of the General Assembly while serving in the capacity of President of the Senate, and any compensation received while acting in the place of the Governor.

Attorney General, \$8,500.

Superintendent of Public Instruction, \$8,500.

Commissioner of Agriculture, Labor and Statistics, \$7,500.

Secretary of State, \$6,000.

State Treasurer, \$6,000.

Auditor of Public Accounts, \$6,000.

Clerk of the Court of Appeals, \$6,000.

Sec. 2. Beginning as of January 1, 1952, the members of the General Assembly, other than the Speaker of the House of Representatives, shall each receive as compensation twenty-five dollars per day, and the President of the Senate and the Speaker of the House of Representatives shall each receive as compensation thirty dollars per day, during their attendance on the sessions of the General Assembly. Each member of the General Assem-

bly, and the President of the Senate, shall receive fifteen cents per mile for the necessary travel in going to and returning from the sessions of their respective Houses. This section is specifically intended to include and apply to members of the Senate elected for the terms expiring December 31, 1953.

Sec. 3. Beginning as of January 1, 1952, the Chief Clerk of the Senate and the Chief Clerk of the House of Representatives shall each receive, for filing and preserving the journals of their respective houses, pursuant to KRS 6.160, and furnishing a copy to the public printer, as required by KRS 57.160, a sum equal to \$20.00 per day for each legislative day during the session of the General Assembly.

Sec. 4. (1) Beginning with the first month that commences after the effective date of this Act, the compensation for the year 1950 being payable at the designated rate per annum for such months as remain in the year 1950, the compensation of the following named officers, payable monthly out of the State Treasury, shall be the sum per annum designated for the respective offices, as follows:

Judges of the Court of Appeals, \$9,000.

Commissioners of the Court of Appeals appointed pursuant to KRS 21.150 (1), \$7,500.

Commissioners of the Court of Appeals appointed pursuant to KRS 21.150 (2), \$5,000.

Circuit judges, \$7,500.

(2) Any commissioner of the Court of Appeals appointed pursuant to KRS 21.150 (1), who may retire or be retired after more than eight years of continuous service as such commissioner, may be compensated the same as commissioners appointed pursuant to KRS 21.150 (2), for such period as he performs duties and renders services, under appointment by the court, of the character contemplated by KRS 21.150 (2), provided that during such period he shall not engage in any way in the private practice of law.

Sec. 5. The fiscal court of any one or more counties located in any judicial district may allow and pay to the judge or judges of the circuit court of the district, out of the county treasury,

such annual compensation, in addition to that paid by the state under Section 4 of this Act, as the fiscal court deems just and proper, within the constitutional limit on the compensation of circuit judges. Two or more counties in the same district may prorate or divide the additional compensation. If there are two or more judges of the circuit court in any district, any additional compensation allowed and paid under this section shall be the same as to each of the judges.

Sec. 6. Every special judge designated under KRS 23.230 or 23.250, or under subsection (2) of KRS 23.240, shall be paid for his services such sum per day as would be the equivalent of the rate of compensation received from the State Treasury by the regular judge if computed on a daily basis, and those designated under KRS 23.250 or under subsection (2) of KRS 23.240 shall be paid their actual expenses, not to exceed ten dollars per day, when acting outside the county of their residence. Claims for such compensation and expenses shall be allowed and paid as provided by law for the payment of other claims against the Commonwealth, but before such claims are allowed by the Department of Finance, the amount thereof and the number of days' services rendered on the bench, together with a statement of expenses, shall be entered upon the order book of the court over which the special judge is designated to preside, and the same shall be presented to and approved by the Chief Justice of the Court of Appeals.

Sec. 7. The maximum compensation that may be received by a Commonwealth's attorney out of the State Treasury, including the annual salary and the percentage of fines and forfeitures provided for in KRS 69.050, shall not exceed \$6,000. Counties shall have the same authority to allow and pay additional compensation to the Commonwealth's Attorney as is conferred by Section 5 of this Act with respect to circuit judges, within the constitutional limit on the compensation of local officers.

Sec. 8. In any judicial district composed of only one county, the assistant Commonwealth's attorneys and the stenographers and district detectives for the Commonwealth's attorney, provided for by law, shall receive such compensation, payable out of the county treasury, as is fixed by the fiscal court, but such com-

pensation, during the term of the Commonwealth's attorneys now in office, shall not be less than that fixed by law at the time this Act takes effect, and for any term thereafter the compensation for the term shall be fixed not later than the first Monday in May in the year in which Commonwealth's attorneys are elected, and shall not be changed during the term. In any judicial district composed of more than one county, for which an assistant Commonwealth's attorney, stenographer or district detective for the Commonwealth's attorney is provided for by law, the fiscal courts of the several counties shall, by joint action, exercise the powers conferred by this section upon the fiscal courts of single-county districts with respect to fixing compensation, and such compensation shall be paid out of the county treasuries of the respective counties in proportion to the amount of work attributable to each county, the proportion being certified by the Commonwealth's attorney.

Sec. 9. (1) Except as provided in subsections (2) and (3) of this section, the fiscal court of each county shall fix the compensation of every county officer and employe. For the purposes of this section, circuit court clerks and master commissioners and receivers in counties other than those containing a population of 75,000 or more, and justices of the peace and constables in all counties, shall be deemed to be county officers, and deputies or assistants of county officers shall be deemed to be county employes, but employes of county boards or commissions which are now authorized by law to fix the compensation of their employes shall not be deemed to be county employes for the purposes of this section. In the case of officers compensated from fees, or partly from fees and partly by salary, the fiscal court shall fix the maximum compensation that the officer may receive, from both sources, and also shall have authority to fix the number of deputies and assistants, and the compensation thereof, and the maximum amount that the officer may expend each year for expenses of his office. In the case of county officers elected by popular vote, the compensation of any such officer, and of his deputies and assistants, during the term of those now in office, shall not be fixed at less than that fixed by the law in force and effect on November 1, 1949. In the case of county officers elected by popular vote, for terms commencing after the effective date

of this Act, the annual compensation of the officer and of his deputies and assistants shall be fixed by the fiscal court not later than the first Monday in May in the year in which such officers are elected, and shall not be changed during the term.

(2) Nothing in this section shall apply to county tax commissioners or their deputies, assistants and expenses, in any county, or to the circuit court clerk, county court clerk, sheriff, jailer, master commissioner or receiver, and their deputies, assistants and expenses, in counties having a population of 75,000 or more.

(3) Justices of the peace serving on a fiscal court in any county, and county commissioners serving on a fiscal court in any county other than one containing a city of the first, second, third or fourth class, shall be paid for their services, out of the county treasury, not to exceed fifteen dollars per day for each day of actual attendance of the meetings of the fiscal court. The fiscal court shall fix the amount to be received within the above limit, but with the exception of the terms that are being served on the effective date of this Act, no change of compensation shall be effective as to any member of a fiscal court during his term of office. The compensation of county commissioners serving on fiscal courts in counties containing a city of the first, second, third or fourth class shall continue to be limited as provided in paragraphs (a) and (b) of subsection (1) of KRS 67.110, and nothing in this Act is intended to authorize any change in such compensation during the term of any member. County commissioners or justices of the peace shall not receive any compensation for their services on the fiscal court, other than as provided in this section or in paragraphs (a) and (b) of subsection (1) of KRS 67.110, nor shall they receive any compensation for serving on committees of the fiscal court.

Sec. 10. The fiscal court of any county is authorized to have an annual audit made of the accounts of any county officer or employe, within the meaning of Section 9 of this Act, who is compensated in whole or in part by fees, except those officers enumerated in subsection (2) of Section 9 of this Act.

Sec. 11. Nothing in this Act is intended to authorize the fiscal court of any county to create any office or make any employment not authorized by law.

Sec. 12. Nothing in this Act is intended to repeal or in any way affect the provisions of KRS 70.170, except that if the maximum annual compensation of any sheriff is fixed by the fiscal court at a sum lower than \$5000, he shall in no event be entitled to receive for any year, under KRS 70.170, any sum which, when added to the other compensation received by him during the year, would cause his total compensation for the year to exceed the maximum compensation fixed by the fiscal court.

Sec. 13. It is not the intention of this Act to make or authorize the making of any change in the compensation of reporters for circuit courts, except that where a salary or per diem payable out of the county treasury is now fixed by law for any such reporter, the fiscal court of the county shall have the same power with respect to such salary or per diem as this Act confers upon fiscal courts with respect to county officers and employees.

Sec. 14. The legislative body of each city shall fix the compensation of every city officer and employe, except the compensation of members of the city legislative body, and in the case of city officers paid from fees, or partly from fees and partly by salary, shall fix the maximum compensation that the officer may receive. Deputies or assistants of any elective city officer shall be deemed to be city employes for the purposes of this section, but employes of city boards or commissions which are now authorized by law to fix the compensation of their employes, either with or without statutory limits, shall not be deemed to be city employes for the purposes of this section. In the case of city officers elected by popular vote, the compensation of the officer, during the term of those now in office, shall not be fixed at less than that fixed by law in force and effect on November 1, 1949. In the case of city officers elected by popular vote for terms commencing after the effective date of this Act, the annual compensation of the officer shall be fixed by the city legislative body not later than the first Monday in May in the year in which such officers are elected, and shall not be changed during the term. This section is not intended to deprive any city legislative body of any authority which it may now have by law to fix the compensation of its own members, within limits fixed by statute, except that no city legislative body may change the compensation of any of its members during his term of office.

Sec. 15. In the case of any political subdivision or local governmental unit or district other than a county or city, having a governing body or authority composed of more than one member, such governing body or authority shall fix the compensation of every officer and employe of the political subdivision, local governmental unit or district whose compensation is payable from the funds of the political subdivision, governmental unit or district, except that in the case of officers elected by popular vote the same limitations and restrictions shall apply as are applicable under Section 14 of this Act to the fixing of compensation of city officers elected by popular vote. Nothing in this section is intended to confer any power on any governing board or authority, with respect to the compensation of its own members, that it does not specifically possess under other statutes. This section applies to school districts but is not intended to supersede any present provision of law relating to the fixing or payment of the compensation of teachers.

Sec. 16. For the purposes of this Act, officers and employes of school districts are deemed to be officers and employes of a local governmental unit, and not of the state.

Sec. 17. Any county or city board or commission, or combined city-county board or commission, which now has authority by law to fix the compensation of its employes, either with or without statutory limits, shall have power to fix the compensation of its employes subject only to the limitations contained in this Act.

Sec. 18. With the exception of the office of mayor of any city of the first class, the compensation of any officer or employe of a county, city, political subdivision, local governmental unit or district, or of any city or county board or commission, or combined city-county board or commission, for services rendered in one or more offices or positions of employment, shall not exceed the constitutional limit for officers, which is \$7,200 per annum.

Sec. 19. Nothing in this Act is intended to change or to authorize any public officer or body to change the amount or rate of any fee or percentage prescribed by law, it being the intention of this Act, with respect to officers receiving compensation from

fees or percentages, to fix or provide for the fixing of the maximum compensation that may be received by the officer, and not the sources of such compensation.

Sec. 20. Grand jurors and petit jurors in circuit court shall each be paid five dollars per day for jury service. Persons whose names are on the jury list for jury service in circuit court, or are summoned under KRS 29.280 to supply a deficiency, who appear in person in court in response to summons, who reside outside the corporate limits of the city in which the court sits, and who do not claim exemption or ask to be relieved from jury service, shall receive five dollars per day for each day they are required to be and are in attendance, even though they are not sworn or accepted for jury service. When kept together over night in custody of the sheriff, petit jurors shall receive one dollar additional for each night they are kept together.

Sec. 21. The judges, clerk and sheriff of election shall receive five dollars each for each election in which they serve, including elections to fill vacancies, to be paid by the county. For delivering election returns the sheriff and the judge of the opposite political party from the sheriff shall receive in addition eight cents for each mile necessarily traveled from the place of voting to and from the place of delivery, to be paid by the county.

Sec. 22. (1) Subject to the limitations prescribed in subsection (2) of this section, and excepting officers elected by popular vote, commissioners of the Court of Appeals, employees of the General Assembly, and members of boards and commissions, the Division of Personnel in the Department of Finance shall prepare a schedule of compensation, with a minimum and maximum salary rate, and such intermediate salary rates as are deemed necessary or advisable, for the office or position of employment of every state officer and employee, including specifically the offices and positions of employment in every constitutional administrative department (the state institutions of higher learning being included within the Department of Education), statutory administrative department, independent agency, or other unit of the state government. Such schedules shall be based upon studies of the duties and responsibilities of the offices and positions and upon a comparison with rates being paid for similar or compar-

able services elsewhere, and in the preparation of such schedules the Division of Personnel shall ascertain and record the duties, responsibilities and authority pertaining to the various offices and positions in the state service, and classify such positions in the manner provided in KRS 42.120. No such schedule shall become effective until it has been approved by the Governor.

(2) Based upon an independent study and analysis heretofore made of the duties, responsibilities and authority pertaining to the various offices and positions in the state service, and taking into consideration the character and variety of the services of each agency involved, the maximum annual salary rates for the offices and positions in the state service hereinafter named shall be as follows:

(a) Commissioner of Finance, Commissioner of Revenue, Commissioner of Highways, Commissioner of Health, Commissioner of Welfare, Commissioner of Economic Security, Commissioner of Conservation, Reviser of Statutes, and Manager of the Kentucky State Fair, \$7,500.

(b) Commissioner of State Police, Commissioner of Banking, Commissioner of Industrial Relations, Commissioner (Director of the Division) of Insurance, Commissioner (Director of the Division) of Motor Transportation, and Director of the Legislative Research Commissioner, \$7,000.

(c) Commissioner of Aeronautics, Director of the Division (Commissioner) of Game and Fish, Chief of the Department of Mines and Minerals, Director of the Agricultural and Industrial Development Board, Adjutant General, and Private Secretary to the Governor, \$6,500.

(d) Offices and positions in departments and agencies other than the departments and agencies headed by one of the officers named in paragraphs (a), (b) and (c) of this subsection, and other than a department or agency headed by an officer elected by popular vote from the state at large, \$5,000.

(3) The sums designated in subsection (2) of this section are intended to be the maximum annual salary rates that may be paid in any event, and the Division of Personnel under subsection (1) of this section is authorized to fix, subject to the approval of the Governor, lower rates than those designated.

Sec. 23. The compensation of any subordinate officer or employe in any department or agency of the state government headed by a single officer shall not exceed a sum equal to the compensation payable to the head of the department or agency less \$500, except that for the years 1950 and 1951 the compensation, fixed pursuant to Section 22 of this Act, of an officer or employe in a department or agency headed by an officer elected by popular vote from the state at large may exceed this limit and may exceed the compensation payable to the head of the department or agency.

Sec. 24. Nothing in this Act is intended to authorize the increase of the compensation now fixed by law for the members of any public board or commission for their services as members of the board or commission, except members of fiscal courts to the extent authorized in subsection (3) of Section 9 of this Act.

Sec. 25. For the year 1950, any increased compensation authorized or allowed for any public officer or employe by virtue of this Act or under authority conferred by this Act shall be payable at the new rate only for such full months of the year 1950 as remain after the date this Act takes effect. In the case of officers paid wholly or in part from fees, the maximum limit on the compensation of such officer fixed by or pursuant to this Act shall be deemed to constitute his annual rate of compensation, and he shall be entitled to receive as compensation for the year 1950 only such sum as would be allowable under this section had his compensation been paid and received in the form of a monthly salary.

Sec. 26. Except as otherwise provided in this Act, and subject to the restrictions prescribed in this Act, it is the express intent of the General Assembly, in accordance with the authority granted by Section 246 of the Constitution, as amended, that any change in compensation made or authorized to be made by this Act shall apply to officers in office on the effective date of this Act, subject to the express limitation that when one change in the compensation of any officer in office on the effective date of this Act has been made or become effective by or under this Act, during his term of office, no further change in his compensation may be made or become effective during his term.

Sec. 27. (1) Except as provided in Sections 17 and 28 of this Act and in subsections (2), (3) and (4) of this section, this Act is intended to supersede any existing statute, or provision of the Civil Code or Criminal Code, and any other Act enacted at the present session of the General Assembly, fixing the compensation, or authorizing any public officer or body to fix the compensation, of any public officer or employe covered by this Act.

(2) Any public officer or body which now has authority to fix the compensation of any state officer or employe covered by Section 22 of this Act shall continue to exercise such authority, subject to the schedule and limits of compensation for the particular office or position prescribed under Section 22 of this Act.

(3) This Act is not intended to supersede any existing statute, or any Act enacted at the present session of the General Assembly, with respect to the compensation of circuit clerks, county clerks, sheriffs, jailers, master commissioners and receivers, and their deputies and assistants, in counties containing a population of 75,000 or more, or county tax commissioners, their deputies and assistants, in any county.

(4) Until such time as the new rates of compensation for the officers named in Sections 1, 2 and 3 of this Act become effective under those sections, this Act is not intended to supersede the existing statutes relating to the compensation of those officers, and this Act is not intended at any time to supersede the existing statutes relating to the compensation of the Chief Clerks of the Senate and House of Representatives except as to subsection (3) of KRS 6.230.

Sec. 28. Until such time as the public officer or body authorized by this Act to fix the compensation or the limits of compensation of a public officer or employe exercises such authority with respect to such officer or employe, the compensation of such officer or employe shall not exceed that fixed under the statutory law in force and effect prior to the effective date of this Act, or, in the case of any officer whose compensation was limited only by the Constitution and not by statute, shall not exceed the limit fixed by Section 246 of the Constitution prior to its amendment. Nothing in this Act is intended to authorize an increase of the compensation of any officer in office on the effec-

tive date of this Act, during his term of office, except where this Act makes such increase or where the public officer or body having authority under this Act to fix the compensation or the limits of compensation takes specific action to make such increase.

Sec. 29. The following sections and subsections of the Kentucky Revised Statutes are repealed, effective as of the dates respectively indicated:

KRS 6.190 (relating to compensation of members of the General Assembly), as of December 31, 1951.

KRS 6.200 (relating to compensation of the President of the Senate and Speaker of the House of Representatives, as of December 31, 1951.

Subsection (3) of KRS 6.230 (relating to the compensation of the Chief Clerks of the Senate and House of Representatives), as of December 31, 1951.

KRS 11.010 (relating to the salary of the Governor), as of the fifth Tuesday succeeding the regular November election in 1951.

Subsection (3) of KRS 12.040 (relating to compensation of heads of statutory administrative departments), as of the effective date of this Act.

Subsection (2) of KRS 12.050 (relating to compensation of state officers and employes), as of the effective date of this Act.

KRS 14.110 (relating to the salaries of the Secretary of State and Assistant Secretary of State), as of the first Monday in January, 1952.

Subsection (8) of KRS 15.100 (relating to the compensation of Assistant Attorneys General) as of the effective date of this Act.

KRS 15.160 (relating to the saalry of the Attorney General), as of the first Monday in January, 1952.

KRS 21.110 (relating to expense allowances for judges and commissioners of the Court of Appeals), as of the effective date of this Act.

KRS 21.170 (relating to the salary of the Clerk of the Court of Appeals), as of the first Monday in January, 1952.

Subsection (1) of KRS 22.040 (relating to compensation of members of the Judicial Council), as of the effective date of this Act.

KRS 23.200 (relating to salaries of circuit judges), as of the effective date of this Act.

KRS 23.210 (relating to supplementing the salaries of circuit judges), as of the effective date of this Act.

KRS 23.215 (relating to expense allowances for circuit judges), as of the effective date of this Act.

KRS 23.290 (relating to the compensation of special circuit judges), as of the effective date of this Act.

KRS 25.310 (relating to the compensation of stenographers for county judges), as of the effective date of this Act.

KRS 25.250 and 25.260 (relating to the compensation of county judges) as of the effective date of this Act.

Subsection (1) of KRS 26.560 (relating to the compensation of clerks and deputy clerks of police courts), as of the effective date of this Act.

Subsections (1) and (2) of KRS 29.390 (relating to the compensation of jurors); as of the effective date of this Act.

Subsection (2) of KRS 36.120 (relating to the salary of the Assistant Adjutant General), as of the effective date of this Act.

KRS 41.040 (relating to the salary of the State Treasurer), as of the first Monday in January, 1952.

KRS 47.120 (relating to the Judicial Expense Account), as of the effective date of this Act.

KRS 64.120 and 64.125 (relating to compensation of sheriffs and their deputies in certain counties), as of the effective date of this Act.

KRS 64.160 (relating to the compensation of jailers), as of the effective date of this Act.

Subsections (2) and (3) of KRS 67.110 (relating to the compensation of members of fiscal courts), as of the effective date of this Act.

KRS 68.040 (relating to the compensation of county treasurers), as of the effective date of this Act.

KRS 69.065 (relating to the compensation of certain Commonwealth's attorneys), as of the effective date of this Act.

KRS 69.290 (relating to the compensation of assistant county attorneys) as of the effective date of this Act.

Subsections (3) and (5) of KRS 69.430 (relating to the compensation of the prosecuting attorney and assistant prosecuting attorney in cities of the first class), as of the effective date of this Act.

KRS 69.500 (relating to the compensation and expenses of city attorneys in cities of the third class), as of the effective date of this Act.

Subsection (2) of KRS 70.030 (relating to compensation of sheriffs and their deputies in certain counties), as of the effective date of this Act.

KRS 70.035 (relating to the compensation of sheriffs and their deputies in certain counties), as of the effective date of this Act.

KRS 70.561 (relating to the compensation of members of county police forces), as of the effective date of this Act.

KRS 71.080 (relating to the compensation of deputy jailers, guards and turnkeys in certain counties), as of the effective date of this Act.

Subsection (4) of KRS 83.120 (relating to the compensation of the mayor of a city of the first class), as of the effective date of this Act.

Subsection (3) of KRS 84.280 (relating to the compensation of the mayor of a city of the second class), as of the effective date of this Act.

Subsection (2) of KRS 84.320 (relating to the compensation of the city clerk and deputy in cities of the second class), as of the effective date of this Act.

Subsection (3) of KRS 85.230 (relating to the compensation of the mayor of a city of the third class), as of the effective date of this Act.

Subsection (1) of KRS 85.320 (relating to the compensation of officers in cities of the third class), as of the effective date of this Act.

Subsection (2) of KRS 86.180 (relating to the compensation of the mayor of a city of the fourth class), as of the effective date of this Act.

KRS 88.220 (relating to the compensation of officers of cities of the sixth class), as of the effective date of this Act.

Subsection (4) of KRS 89.480 (relating to the compensation of the police judge in certain cities of the fourth class), as of the effective date of this Act.

Subsection (5) of KRS 92.030 (relating to the compensation of the city treasurer and deputy in cities of the second class), as of the effective date of this Act.

KRS 116.140 (relating to the compensation of election officers), as of the effective date of this Act.

Subsection (2) of KRS 156.120 (relating to the salary of the Superintendent of Public Instruction), as of the first Monday in January, 1952.

KRS 196.440 (relating to the salaries of certain officers and employes of the Department of Welfare), as of the effective date of this Act.

Subsection (3) of KRS 246.040 (relating to the salary of the Commissioner of Agriculture, Labor and Statistics), as of the first Monday in January, 1952.

KRS 257.220 (relating to the compensation of the State Veterinarian), as of the effective date of this Act.

Subsection (4) of KRS 257.240 (relating to the compensation of the Deputy State Veterinarian), as of the effective date of this Act.

The repeal of specific sections and subsections of the statutes by this section is not intended to limit or restrict the operation or effect of the general repeal provided for in Section 27 of this Act.

Sec. 30. No public officer or employe shall receive or be allowed or paid any lump sum expense allowance, or contingent fund for personal or official expenses, except where such allowance or fund either is expressly provided for by statute or is specifically appropriated by the General Assembly.

Sec. 31. Except where the law provides that the compensation shall be paid out of the fees of the office, the fiscal court may authorize payment of compensation out of the county treasury to any county officer or employe specifically provided for by law.

Sec. 32. Where any public body is required by this Act to fix the compensation of an officer, and of his deputies and assistants, for terms commencing after the effective date of this Act, not later than the first Monday in May in the year in which such officers are elected, and the body fails to do so, the compensation of the officer, and of his deputies and assistants, shall be the same as for the preceding term.

Sec. 33. Nothing in this Act is intended to supersede any existing provision of law with respect to protection of employes under civil service against reduction of compensation.

Sec. 34. It is the intent of the General Assembly, in enacting this Act, that each part of the Act be deemed to be essentially and inseparably connected with and dependent upon every other part. The General Assembly declares that it would not have enacted any part of this Act except in connection with and as a part of the general compensation program represented by this Act, and the General Assembly does not intend that any part of this Act shall be the law if any other part is held unconstitutional.

Sec. 35. The General Assembly expressly recognizes that the compensation of judges and commissioners of the Court of Appeals, circuit judges, jurors, and election officers constitutes a necessary and essential government expense, which must be paid out of the State Treasury whether or not a specific appropriation is made, and that the amount that will be required to pay the increased compensation provided for in this Act, particularly with respect to jurors cannot be anticipated with any degree of certainty; therefore the General Assembly does not make a specific appropriation for this purpose. However, there hereby is appropriated out of the General Expenditure Fund in the State Treasury, to the Governor, as a special emergency fund to be allocated by the Governor in his discretion to such budget units of the state government as may require additional funds by rea-

son of this Act, the sum of \$100,000 per year for each of the fiscal years 1950-51 and 1951-52.

Sec. 36. This Act shall take effect on June 30, 1950.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Mr. Preston moved that said bill be made a Special Order of the Day for the hour of 2 o'clock, p.m., Thursday, March 9, 1950.

The Speaker ruled said motion out of order as the Previous Question had been ordered on said bill.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Berman Adams	Fred Beshear	Charles W. Burnley
Bill Adams	R. O. Blevins	Alex Calvert
Edgar Arnett	L. E. Bradley	Stanley Carter
Sidney Baer	Edward O. Bridgers	Paul Combs
Walter J. Bailey	Thomas L. Britton	R. Josh Cosby
Clarence J. Barnum	Charles J. Bronston	B. H. Crider
C. E. Baumgardner	J. D. Buckman, Jr.	Owen Deering
Leonard T. Bean	Mrs. M. E. Burnett	G. I. Drury

Thomas R. Duncan	Homer E. Losey	James S. Shaw
R. C. Estepp, Sr.	Harry K. Lowman	Jesse H. Shelton
Mitchell S. Fannin	True Mackey	Forest Smith
Henry C. Hale	Damon Majors	Joseph T. Snapp
James P. Hanratty	G. Lee McClain	John M. Spaulding
Paul E. Hayes	Alton Mitchell	Roy Steers
William K. Henry	Emmett G. Moore	Raymond D. Stigall
Ray Holbrook	Walter R. Moorman	Mrs. Thelma Stovall
Woodrow W. Hollan	C. S. Nabb	W. R. Stringer
Chester J. Holsclaw	Dr. C. E. Palmore	Egbert V. Taylor
W. M. Horn	James H. Polsgrove	M. G. Thompson
Durham W. Howard	Hobart Rayburn	Rev. T. H. Tinsley
Robert N. Hubbard	W. R. Reasor	Ralph N. Walter
Paul S. Jonas	Amos Runyan	Fred M. Warns
Barkley Jones	Dr. Roy Sanders	Geo. F. Williamson
James W. Lambert	Roy Searcy	Charles W. Wirsch
Mrs. J. T. Linton	Paul E. Shannon	-74

Those who voted in the negative were—

John D. Beatty	Maurice G. Howard	Jack McPherron
C. A. Hammons	Silas Jacobs	Leonard W. Preston
George F. Harris	William Jones	Harry Lee Waterfield
John A. Head	A. L. (Chick) Love	Morris Weintraub
Harold G. Helm		-13

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 449. AN ACT relating to a study, survey and report concerning the requirements, needs, responsibilities and resources of the state government, providing for a Committee on Functions and Resources of State Government and for the furnishing of assistance and facilities by the Legislative Research Commission; and making an appropriation.

Said bill is as follows, viz:

WHEREAS, in order that the state government may function on an economically sound basis, and in accordance with sound principles of government, the needs, requirements and responsibilities of the state government should be ascertained and established pursuant to a comprehensive and coordinate plan taking into consideration the proper relationship between federal, state and local government, and the obligations of each; and

WHEREAS, the trend of expansion of the scope of state government, and the increasing demands for benefits and services through state government, particularly in the fields of education, health and welfare, have created the need for a consideration of the manner in which and the extent to which the resources of the state may and should be utilized for the purposes of state government; and

WHEREAS, the complexities of present day business and economy make exceedingly difficult the selection and adoption of fair and equitable tax measures producing sufficient revenues to meet the needs of the state; and

WHEREAS, it is desirable that a reexamination of the existing state tax structure and a study and survey of potential tax sources be made in order that the General Assembly may be fully advised in the consideration of an integrated program of revenues and expenditures of the state government;

NOW THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. There is created a committee to be known as the Committee on Functions and Resources of State Government, which shall consist of not more than twenty-five members, to be appointed by the Governor forthwith upon the taking effect of this Act. The members shall be selected so as to provide representation, by qualified persons, of industry, agriculture, labor, the professions, small business, and other occupational,

commercial or civic groups or fields interested in the welfare and advancement of the state, and so that the membership shall as far as practicable represent a cross section of the economy of the state. The Governor shall designate one of the members as chairman of the committee. The members shall receive no compensation for their services, but may be reimbursed for actual and necessary expenses incurred in the performance of the functions of the committee. The committee shall meet from time to time upon the call of the chairman, at a time and place designated in the call, and shall meet at the request of the Governor at such time and place as may be designated by the Governor. The committee shall continue in existence until such time as its duties have been completed, but in no event beyond December 31, 1951.

Sec. 2. The Committee on Functions and Resources of State Government, in conjunction with the Legislative Research Commisison, shall make a comprehensive study and survey of the requirements, needs and responsibilities of the state government, taking into consideration the proper functions and obligations of state government in relation to federal and local government, and the necessity of a balanced and coordinated program of government. The committee and the commission shall further make a comprehensive study and survey of the existing tax structure of the state and of prospective and potential tax sources available to the state, including an examination of the present state taxes and the revenue derived therefrom, the tax programs of other states and the revenue derived therefrom, a comparison of the tax sources existing in this state with those existing in other states, and a survey of prospective sources of revenue with an analysis of the economic effect of the utilization thereof and an estimate of the revenue that may be produced thereby. The study and survey shall be so designated as to enable the Governor and the General Assembly to be informed as to the most feasible, equitable and economically sound program of government for the state.

Sec. 3. The Legislative Research Commission is authorized and directed to secure and provide adequate facilities, services and assistance to enable the Committee on Functions and Re-

sources of State Government to carry out the objects and purposes of this Act.

Sec. 4. The Committee on Functions and Resources of State Government shall have authority to obtain information and to receive cooperation and assistance from any public agency, state or federal. Every state agency, at the request of the committee, shall make available to the committee such information, statistics and reports as are at the disposal of such agency, and shall cooperate with the committee to the fullest extent.

Sec. 5. The Committee on Functions and Resources of State Government, with the assistance of the Legislative Research Commission, shall prepare and submit to the Governor, at such an early date as is consistent with the accomplishment of the purposes of this Act, a report of the results of its study and survey, with recommendations, for the use and benefit of the General Assembly when next in session.

Sec. 6. To carry out the purposes of this Act, there is appropriated to the Legislative Research Committee, out of the General Expenditures Fund in the State Treasury, the sum of \$25,000, which sum shall be available during the 1950-51 fiscal year and, without lapse, during the 1951-52 fiscal year. Authorized expenses and expenditures of the Committee on Functions and Resources of State Government may be paid out of this appropriation, on vouchers approved by the Director of the Legislative Research Commission.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Berman Adams	Thomas R. Duncan	Walter R. Moorman
Bill Adams	Mitchell S. Fannin	C. S. Nabb
Edgar Arnett	Henry C. Hale	James H. Polsgrove
Sidney Baer	James P. Hanratty	Hobart Rayburn
Clarence J. Barnum	George F. Harris	W. R. Reasor
C. E. Baumgardner	Paul E. Hayes	Carl J. Ruh
Leonard T. Bean	John A. Head	Amos Runyan
John D. Beatty	William K. Henry	Roy Searcy
Fred Beshear	E. R. Hilton	Paul E. Shannon
R. O. Blevins	Woodrow W. Hollan	Forest Smith
Edward O. Bridgers	Chester J. Holsclaw	John M. Spaulding
Thomas L. Britton	W. M. Horn	Roy Steers
Charles J. Bronston	Robert N. Hubbard	Raymond D. Stigall
J. D. Buckman, Jr.	Silas Jacobs	Mrs. Thelma Stovall
Mrs. M. E. Burnett	Paul S. Jonas	W. R. Stringer
Charles W. Burnley	Barkley Jones	M. G. Thompson
Alex Calvert	Mrs. J. T. Linton	Rev. T. H. Tinsley
Stanley Carter	Homer E. Losey	Ralph N. Walter
Paul Combs	Harry K. Lowman	Fred M. Warns
R. Josh Cosby	True Mackey	Morris Weintraub
Owen Deering	G. Lee McClain	G. F. Williamson
G. I. Drury		

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Those who voted in the negative were—

L. E. Bradley	A. L. (Chick) Love	Leonard W. Preston
C. A. Hammons	Jack McPherron	LeRoy Saylor
Harold G. Helm	Alton Mitchell	Harry Lee Waterfield
Maurice G. Howard	Dr. C. E. Palmore	Charles W. Wirsch
James W. Lambert		

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Mr. Hanratty offered the following amendment to the title of said bill, viz:

Amend the title of H. B. No. 449 by adding thereto the following words: This Act shall be known as the "Ruh Act."

Said amendment to the title of said bill was agreed to.

Resolved that the title thereof be as amended.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 108. AN ACT relating to alcoholic beverage licenses; amending subsection (1) of Section 243.230 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (1) of Section 243.230 of the Kentucky Revised Statutes is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first, second or third class, or elsewhere in counties containing a city of the first, second or third class if those counties maintain an adequate police force under KRS 70.540 to 70.570 and KRS 70.150 to 70.170, or for premises located in any county upon property which is owned by a county containing a city of the first, second or third class.

Mr. Jonas moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Owen Deering	A. L. (Chick) Love
Sidney Baer	G. I. Drury	True Mackey
Clarence J. Barnum	Mitchell S. Fannin	Damon Majors
C. E. Baumgardner	Henry C. Hale	G. Lee McClain
Leonard T. Bean	George F. Harris	Jack McPherron
Fred Beshear	Paul E. Hayes	Walter R. Moorman
R. O. Blevins	John A. Head	Hobart Rayburn
L. E. Bradley	William K. Henry	Carl J. Ruh
Edward O. Bridgers	Woodrow W. Hollan	Amos Runyan
Charles J. Bronston	Chester J. Holsclaw	Dr. Roy Sanders
J. D. Buckman, Jr.	W. M. Horn	Paul E. Shannon
Mrs. M. E. Burnett	Durham W. Howard	Raymond D. Stigall
Charles W. Burnley	Maurice G. Howard	Mrs. Thelma Stovall
Alex Calvert	Robert N. Hubbard	M. G. Thompson
Stanley Carter	Silas Jacobs	Fred M. Warns
Paul Combs	Paul S. Jonas	Morris Weintraub
R. Josh Cosby	Mrs. J. T. Linton	G. F. Williamson

Those who voted in the negative were—

Edgar Arnett	James W. Lambert	W. R. Reasor
John D. Beatty	Homer E. Losey	LeRoy Saylor
R. C. Estep, Sr.	Emmett G. Moore	Forest Smith
C. A. Hammons	Dr. C. E. Palmore	Roy Steers
Harold G. Helm	Leonard W. Preston	W. R. Stringer

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Resolved that the title thereof be as aforesaid.

Mr. Jonas moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 369. AN ACT amending Section 149.300 of the Kentucky Revised Statutes, relating to setting of fires near woodland areas, or brushland areas.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 149.300 of the Kentucky Revised Statutes is amended to read as follows:

During the months of March, April, May, October, November and December, even though the precautions required by KRS 149.290 shall have been taken, it shall be unlawful for any person to set fire to, or to procure another to set fire to, any brush, leaves, grass, debris, or field containing dry grass or other inflammable material capable of spreading fire, located in or within three hundred feet of any woodland or brushland, except between the hours of 4:30 p.m. and twelve o'clock midnight, or when the ground is covered with snow.

Mr. Love offered the following amendment to said bill, viz:

Amend printed copy of H. B. No. 369, on page 1, line 11, by adding thereto the following:

“This act shall not apply to fires which may be set for the purpose of burning tobacco plant beds.”

Said amendment to said bill was agreed to.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Thomas R. Duncan	True Mackey
Sidney Baer	Mitchell S. Fannin	Damon Majors
Clarence J. Barnum	Henry C. Hale	Jack McPherron
C. E. Baumgardner	James P. Hanratty	W. R. Reasor
Leonard T. Bean	George F. Harris	Amos Runyan
Fred Beshear	Paul E. Hayes	Dr. Roy Sanders
L. E. Bradley	John A. Head	Paul E. Shannon
Edward O. Bridgers	Chester J. Holsclaw	Raymond D. Stigall
Thomas L. Britton	Robert N. Hubbard	Mrs. Thelma Stovall
Charles J. Bronston	Silas Jacobs	W. R. Stringer
J. D. Buckman, Jr.	Barkley Jones	M. G. Thompson
Mrs. M. E. Burnett	William Jones	Rev. T. H. Tinsley
Charles W. Burnley	Mrs. J. T. Linton	Fred M. Warns
Alex Calvert	A. L. (Chick) Love	Morris Weintraub
Stanley Carter	Harry K. Lowman	G. F. Williamson
Owen Deering		

Those who voted in the negative were—

Edgar Arnett	Woodrow W. Hollan	Leonard W. Preston
R. O. Blevins	W. M. Horn	Hobart Rayburn
Paul Combs	Durham W. Howard	LeRoy Saylor
R. Josh Cosby	Maurice G. Howard	Roy Searcy
G. I. Drury	James W. Lambert	Forest Smith
R. C. Estep, Sr.	Alton Mitchell	Roy Steers
C. A. Hammons	Emmett G. Moore	Ralph N. Walter
Harold G. Helm	Walter R. Moorman	Harry Lee Waterfield
William K. Henry	Dr. C. E. Palmore	Charles W. Wirsch
Ray Holbrook		—28

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the rules be suspended for the purpose of introducing bills and resolutions.

Said motion was agreed to by a majority of the members elected.

Whereupon, bills and resolutions of the following titles were introduced, viz:

By Mr. Thompson.

H. B. No. 462. AN ACT relating to the imposition of a gross receipts tax upon persons, individuals, firms, corporations, associations, partnership and co-partnerships opening or establishing three or more stores for selling at retail and providing an appropriation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. For the purposes of this Act:

(1) "Store" means and includes any store or stores or any mercantile establishment or establishments which are owned, operated, maintained or controlled by the same person, in which goods, wares or merchandise of any kind are sold at retail.

(2) "Person" means any individual, firm, partnership, co-partnership, association or corporation.

(3) "Commissioner" means the Commissioner of Revenue.

(4) "Department" means the Department of Revenue.

(5) "Merchandise" means any item of tangible personal property constituting an article of commerce.

(6) "Retail sale" means the sale of merchandise in any quantity or quantities for any use or purpose on the part of the purchaser other than for resale.

(7) "Sale" or "selling" means any transfer of title or possession, or both, or exchange or barter of merchandise, conditional or otherwise, however effected, and by whatever name called, for a consideration paid or to be paid, in installments or otherwise, and includes any of said transactions whereby title or ownership is ultimately to pass notwithstanding the retention of title or possession, or both, for security of other purposes, and further means and includes any bailment, loan, lease, rental or license to use or consume merchandise for a consideration paid or to be paid, in installments or otherwise, in which possession of said property passes to the bailee, borrower, lessee, or licensee.

(8) "Gross receipts" means the gross sales price at which sales are made, whether for cash or on time, and if on time, the price charged on the books for such sales, without allowance for cash discount, and the same shall be reported as sales with reference to the time of delivery to the purchasers, except as this provision is modified by Section 5 of this Act.

Sec. 2. Every person operating, maintaining, opening or establishing three or more stores or mercantile establishments within this state under the same general management, supervision or ownership, shall pay a tax of three percent of his

total gross receipts from retail sales, for the privilege of engaging or continuing in the business of selling merchandise.

Sec. 3. The taxes levied in this Act shall be due and payable on or before the 15th day of the month next succeeding the month in which the gross receipts are received. Every taxpayer liable for the tax imposed by this Act shall, on or before the 15th day of the month, make out or prepare a return on the blank report form furnished by the Department of Revenue, showing the total gross receipts, and the amount of tax covering sales in the preceding month, and shall mail same, together with the remittance for the amount of the tax, to the department. Such monthly return shall be signed by the taxpayer or a duly authorized agent of the taxpayer.

Sec. 4. (1) If a delinquent return or a return without remittance for the amount of tax shown to be due is received by the Department of Revenue, the taxpayer shall be assessed with a ten percent penalty plus interest at one percent per month from the date the tax was due. The penalty provided in this subsection shall not be less than five dollars.

(2) If the taxpayer shall fail or refuse to make the returns required under this Act, then such returns shall be made by the Commissioner or his duly authorized agents from the best information available, and such returns shall be prima facie correct for the purposes of this Act. The amount of tax due thereby shall be a lien against all the property of the taxpayer until discharge by payment, and if payment not be made within thirty days after demand therefor by the Commissioner or his duly authorized agents, there shall be added a penalty of twenty percent, together with interest at the rate of one percent per month from the time such tax was due. If such tax be paid within thirty days after notice by the Commissioner, then there shall be added a penalty of ten percent, and interest at the rate of one percent per month from the time such tax was due until paid.

Sec. 5. Any person taxable under this Act having cash and credit sales may report such cash and credit sales separately, and upon making application therefor may obtain from the

Department of Revenue an extension of time for the payment of taxes due on such credit sales. Such extension shall be granted under such rules and regulations as the Department may prescribe. When such extension is granted, the taxpayer shall thereafter include in each monthly report all collections made during the month next preceding and shall pay taxes due thereon at the time of filing such report.

Sec. 6. (1) As soon as practicable after the return is filed with the Department of Revenue, an authorized agent of the Department shall examine it; if it then appears that the correct amount of tax is greater or less than that shown in the return, the tax shall be recomputed.

(2) If the amount already paid exceeds that which should have been paid, on the basis of the tax so recomputed, the excess shall be credited or refunded to the taxpayer in accordance with the provisions of this Act.

(3) If the amount already paid is less than the amount which should have been paid, the amount of the deficiency shall bear interest at the rate of one percent per month from the time the tax was due.

(4) If any part of the deficiency is due to negligence or intentional disregard of authorized rules and regulations, with knowledge thereof, but without intent to defraud, there shall be added as penalty ten percent of the total amount of the deficiency in the tax.

(5) If any part of the deficiency is due to fraud with intent to evade the tax, then there shall be added as penalty twenty percent of the total amount of the deficiency in the tax.

(6) In any case where the amount already paid is less than the amount which should have been paid, the Department shall notify the taxpayer of the balance due, plus the interest due under subsection (3) of this section, and such penalty as may be due under subsection (4) or (5) of this section, and this total amount shall be paid within thirty days from the date of notice. If not so paid, the taxpayer shall be proceeded against as in the case of failure to make a return.

Sec. 7. In the absence of fraud, no assessment authorized by this Act shall extend to sales made more than three years prior to the date of assessment; and in cases where an audit has been made under the direction of the Commissioner of Revenue any assessment in respect to such audit shall be made within one year after the completion of the audit. However, when the returns required under this Act have not been made, the Commissioner of Revenue shall proceed to determine the total amount of the tax due because of sales made not more than five years prior to such determination, and any assessment made as a result of such determination shall extend to and include sales made within such period.

Sec. 8. If any taxpayer subject to the provisions of this Act goes into bankruptcy, receivership, or turns over his stock of merchandise by voluntary transfer to creditors, the tax liability under this Act shall constitute a prior lien on such stock of merchandise, subject to execution, and it shall be the duty of the transferee in any such case to retain the amount of the tax due from the first sales from such stock of merchandise and to pay the same to the Department of Revenue.

Sec. 9. Every person subject to the provisions of this Act shall keep and preserve suitable records of his gross receipts, and such other books or accounts as may be necessary to determine the amount of tax for which he is liable under the provisions of this Act. Every such person shall also keep and preserve, for a period of three years, all invoices of merchandise purchased for resale, and all such books, invoices, and other records shall be open for examination at any time for the Commissioner or his duly authorized agent.

Sec. 10. The tax imposed by this Act shall be a lien upon the stock of merchandise and other property of any person subject to the provisions hereof who shall sell out his business or stock of merchandise, or shall quit business and such person shall be required to make out the return provided for under Section 3 within thirty days after the date he sold out his business or stock of merchandise, or quit business, and his successor in business shall be required to withhold sufficient of the

purchase money to cover the amount of said taxes due and unpaid until such time as the former owner shall produce a receipt from the Department of Revenue showing that the taxes have been paid, or a certificate that no taxes are due. If the purchaser of business or stock of merchandise shall fail to withhold purchase money as above provided, and the taxes shall be unpaid after the thirty-day period allowed, he shall be personally liable for the payment of the taxes accrued and unpaid on account of the operation of the business by the former owner.

Sec. 11. If any person having made the return and paid the tax as provided by this Act feels aggrieved by the assessment made upon him by the Department of Revenue, he may appeal in the manner prescribed in KRS 131.110 and 131.120.

Sec. 12. The tax imposed by this Act shall be in addition to all other licenses and taxes levied by law as a condition precedent to engaging in any business taxable hereunder.

Sec. 13. (1) All remittances of taxes imposed by this Act shall be made to the Department of Revenue by bank draft, check, cashier's check, money order, or money. The department shall issue a receipt therefor to the taxpayer, when requested, and shall deposit with the State Treasurer all monies received, as required by law for other taxes. No payment other than cash shall be a final discharge of liability for the tax.

(2) The Department of Revenue shall preserve all returns filed with it under this Act for a period of three years.

Sec. 14. It shall be unlawful for any person to fail or refuse to make the return provided to be made in this Act, or to make any false or fraudulent return or false statement in any return of the tax or any part thereof imposed by this Act; or for any person to aid or abet another in any attempt to evade the payment of the tax, or any part thereof, imposed by this Act; or for the president, vice president, secretary or treasurer of any company to make or permit to be made for any company or association any false, return, or any false statement in any return required by this Act, with the intent to evade the payment of any tax hereunder; or for any person to fail or

refuse to permit the examination of any book, paper, account, record, or other data by the Commissioner or his duly appointed agent, as required by this Act, or to fail or refuse to permit the inspection or appraisal of any property by the Commissioner or his duly appointed agent, or to refuse to offer testimony or produce any record as required in this Act. Any person violating any of the provisions of this section shall be fined not more than five hundred dollars or imprisoned in the county jail for not exceeding six months, or both. In addition to the foregoing penalties, any individual who shall knowingly swear to or verify any false or fraudulent statement, with the intent aforesaid, shall be guilty of the offense of false swearing and shall be punished in the manner provided by law for that offense.

Sec. 15. If upon examination of any monthly return made under this Act it appears that an amount of tax has been paid in excess of that properly due, then the amount in excess shall be credited against any tax or installment thereof then due from the taxpayer, under any other subsequent monthly return, or shall be refunded to the taxpayer by certificate of overpayment issued by the Commissioner of Revenue to the Commissioner of Finance, which shall be investigated and approved by the Attorney General, and the Commissioner of Finance shall issue his warrant on the Treasurer, which warrant shall be payable out of any funds appropriated for that purpose.

Sec. 16. There is hereby appropriated out of the General Expenditure Fund in the State Treasury, to the Department of Revenue, for the fiscal year ending June 30, 1951, the sum of \$100,000 and for the fiscal year ending June 30, 1952, the sum of \$100,000 for the purpose of administering this Act.

Sec. 17. The revenue derived from the tax imposed by this Act shall be paid into the State Treasury and credited to the Common School Per Capita Fund.

Sec. 18. The provisions of this Act shall become effective July 1, 1950.

By Mr. Bronston.

H. B. No. 463. A BILL to repeal, amend and re-enact K.R.S. 376.050 relating to mortgages for building or improvement purposes and to provide for the lien and priority of such mortgages.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Any mortgage taken for the purpose of erecting, improving or adding to a building shall state such facts, and where the mortgagee proposes to advance to the mortgagor the amount loaned in installments as construction proceeds, the mortgage shall also state the total amount proposed to be advanced by the mortgagee to the mortgagor, and shall be prior and superior to the lien provided in K.R.S. 376.010 to the extent of advancements actually made unless before such advancements are made the person claiming a lien under K.R.S. 376.010 shall file in the Office of the County Clerk of the county wherein the land is located the statement of intent to claim a lien provided in K.R.S. 376.010, Subsection 2. Actual knowledge by the mortgagee of the fact that labor has been performed or materials furnished shall not affect the priority of the lien of the mortgage to secure advancements made until the statement of intent to file a lien provided in K.R.S. 376.010, Subsection 2, be filed, and such lien shall take effect only from and after the filing of the statement of intent to file a lien provided in K.R.S. 376.010, Subsection 2. If, at the time of the making of the advancement of any installment of said loan, there shall be filed in the Office of the County Clerk a statement of intent to file a lien, it shall be the duty of the mortgagee to pay to the person filing such statement all amounts due such person at the time of the making of the advancement. If the amount of advancement by the mortgagee is not sufficient to pay in full the amounts then due all persons having filed statement of intent to file liens, it shall be the duty of the mortgagee to pro-rate the amount of the advancement among all such persons having filed statement of intent to file liens. If the mortgagee shall comply with the provisions of this section with reference to its duty to pay the amounts due persons having filed statement of intent to file

liens at the time each advancement is made by the mortgagee, then amounts so paid shall be a lien prior and superior to all liens upon the property including the balance due on liens actually filed but not paid in full.

Any mortgage made subject to this section shall not be subject to the limitations as to future advances provided in K.R.S. 382.520.

2. No person shall willfully misappropriate or misapply the proceeds from such a loan.

By Mr. Moorman.

H. B. No. 464. AN ACT to amend Section 279.210 of the 1948 edition of the Kentucky Revised Statutes relating to jurisdiction of the Public Service Commission over rural electric co-operatives, assessments paid and application of other laws.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 279.210 of the 1948 edition of the Kentucky Revised Statutes is amended to read as follows:

279.210 Jurisdiction of Public Service Commission; application of other laws. (1) Every corporation formed under this Chapter shall be subject to the general supervision of the Public Service Commission, and shall be subject to all the provisions of KRS 278.010 to 278.450 inclusive, and KRS 278.990.

(2) The provisions of the general corporation laws of this state and all rights and powers thereunder shall apply to corporations organized under this chapter, except where such provisions are in conflict with or inconsistent with the express provisions of this chapter.

My Messrs. Love, Palmore and Mitchell.

H. B. No. 465. AN ACT relating to the establishment and operation of a College of Medicine and Surgery at the University

of Kentucky; prescribing powers and duties of the Board of Trustees of the University with respect thereto; and making appropriations therefor.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Board of Trustees of the University of Kentucky is authorized and directed to establish and operate a College of Medicine and Surgery, and for that purpose to provide for the construction or acquisition of the necessary buildings, equipment and facilities, and to appoint and fix the compensation of the necessary professors, assistants and other personnel, the same as for other colleges now constituting a part of the University. The Board of Trustees shall in all respects possess the same powers and duties with respect to the College of Medicine and Surgery as it possesses with respect to other colleges now constituting a part of the University, except as inconsistent with this Act.

Sec. 2. In the event the facilities of the College of Medicine and Surgery will not accommodate all qualified persons who make application for enrollment, the Board of Trustees of the University shall give preference in enrollment to applicants who are residents of Kentucky.

Sec. 3. For the purposes of this Act, the Board of Trustees of the University may receive, administer and use donations, gifts, and contributions, grants and bequests, and the income therefrom, subject to any conditions attached to the same.

Sec. 4. For the purposes of this Act, there hereby is appropriated to the University of Kentucky, out of any unappropriated sums in the General Expenditure Fund in the State Treasury for the fiscal year 1950-51 the sum of \$4,000,000 and for the fiscal year 1951-52, the sum of \$6,000,000.

By Mr. Hanratty.

H. B. No. 466. AN ACT relating to taxes on legal actions, proceedings and appeals, including provisions for the disposition of the revenue derived therefrom.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. A tax of three dollars hereby is levied on each original action in the circuit court, commencing with or without original process, on each original action in other courts when the amount in controversy, exclusive of interest and costs, exceeds fifty dollars; on each appeal to the circuit or quarterly court; on each traverse of forcible entry or detainer; and on each proceeding to revive a judgment. A tax of five dollars hereby is levied on each appeal to the Court of Appeals.

Sec. 2. The revenue derived from the taxes imposed by Section 1 of this Act shall be paid into the State Treasury and credited to the General Expenditure Fund, for general state purposes.

Sec. 3. Section 142.011 of the Kentucky Revised Statutes is repealed. Any funds in the State Treasury derived from the taxes imposed by that section, and not utilized for the purposes for which such taxes were levied, shall be transferred to the credit of the General Expenditure Fund.

By Messrs. Moorman, William Jones, Hubbard, McClain, Reasor, Mackey, Williamson, Henry, Horn, Baer, Taylor and Snapp.

H. B. No. 467. AN ACT relating to animals; to be known as the Livestock and Dog Protective Law of 1950.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. This Act shall be known and may be cited as the "Livestock and Dog Protective Law of 1950."

Sec. 2. For the purposes of this Act, the following terms shall have the following meanings:

(1) "Livestock" shall include horses, stallions, colts, geldings, mares, sheep, rams, lambs, bulls, bullocks, steers, heifers, cows, calves, mules, jacks, jennets, burros, goats, kids, swine, and confined and domesticated hares and rabbits.

(2) "Poultry" shall mean all domestic fowl and all game birds which are legally kept in captivity.

(3) "Persons" shall include state and local officers, employes, individuals, corporations, co-partnerships and associations.

(4) "Owner," when applied to the proprietorship of a dog, shall include every person having a right of property in such dog, and every person who keeps or harbors such dog or has it in his care, and every person who permits such dog to remain on or about any premises owned or occupied by him.

(5) "Kennel" shall mean any establishment wherein or whereon dogs are kept for the purpose of breeding, sale, show or sporting purposes, and which is so constructed that dogs cannot stray therefrom.

(6) "Police officer" shall mean any person employed or elected by this Commonwealth, or by any municipality, county, or district, whose duty it is to preserve peace or to make arrests or to enforce the law. The term includes State Police, game, fish and forest wardens, sheriffs, deputy sheriffs, constables, policemen and all other police or peace officers or any officer or employe of the Department and "Sheriff" shall include deputy sheriffs.

(7) "Department" means the Department of Agriculture, Labor and Statistics.

(8) "Commissioner" means the Commissioner of Agriculture, Labor and Statistics.

(9) "Board" means the State Board of Agriculture.

(10) "Livestock Fund" means the fund established pursuant to this Act and shall include all receipts received through

the Department under the terms of this Act and in addition thereto, any appropriations made by the terms of this Act and by the terms of any subsequent Acts.

Sec. 3. On or before the first day of January, 1951, and on or before the first day of January of each year thereafter, the owner of any dog six months old or over shall apply to the Sheriff of the county in which he resides either orally or in writing or to the Board for a license for each such dog owned or kept by him. Such application shall state the breed, sex, age, color and marking of each such dog and the name and address of the last previous owner; and shall be accompanied by a license fee of one dollar for each male dog and for each spayed female dog for which the owner presents a certificate from a licensed veterinarian stating that he has spayed the female dog. The veterinarian's certificate shall state the breed, age, color and markings of the dog and the date on which it was spayed. Applications for all other female dogs shall be accompanied by a license fee of two dollars each. The sheriffs of the several counties shall be agents of the Commonwealth in the collection of said license fees, unless and until the Board shall determine, with the approval of the Governor, to issue all licenses directly; and, for services rendered in collecting and paying over the same, each such agent shall be allowed to retain the sum of 15c for each license issued by him. The balance of the license fee collected shall be paid to the Board on or before the 15th day each next succeeding month and shall be converted into the State Treasury by the Board and credited to the Livestock Fund.

Sec. 4. A dog license shall be issued on a form prepared and supplied by the Board. It shall be dated and numbered, and shall bear the name of the county in which the owner resides or in which the dog is to be kept and a description of the dog licensed. All licenses shall be void on January 1 of the following year.

Sec. 5. The Board shall prepare and furnish to each sheriff annually, metal tags which the sheriff shall give to owners of dogs when the owners pay the license fees for the dogs. Each tag shall be of metal, and shall bear the name of the county for which it is issued, and a serial number corresponding with the number of the license issued to the owner. Each tag shall also

have impressed on it the calendar year for which the tag is issued, and shall be equipped with a substantial metal fastening device. The general shape of the tag shall be changed from year to year.

Sec. 6. (1) The tag shall be affixed to a substantial collar, which shall be furnished by the owner. The collar, with the tag attached, shall at all times be kept on the dog for which the license is issued.

(2) In any proceedings under this chapter the burden of proof of the fact that a dog has been licensed or has been imported for breeding, trial or show purposes, shall be on the owner of the dog. Any dog not bearing a license tag shall *prima facie* be deemed to be unlicensed.

Sec. 7. No person, except the owner or his authorized agent, shall remove any license tag from a dog collar, or remove any collar with a license tag attached to the collar, from any dog.

Sec. 8. If a tag is lost the sheriff or the Board shall replace it without cost, upon application by the person to whom the original license was issued, and upon production of the license.

Sec. 9. Any person becoming the owner after January 1 of any year of any dog which has not already been licensed shall forthwith apply for and secure a license for the dog in the same manner as the annual license is obtained.

Sec. 10. No license or tag issued for one dog shall be transferrable to another, except as provided in Sections 12 and 13 of this Act. Whenever the ownership or possession of any dog is permanently transferred from one person to another within the same county, the license of that dog may be likewise transferred upon notice given to the sheriff or to the Board. When the possession of a dog is temporarily transferred for the purpose of hunting game, or for breeding, trial or show in this state, a new license need not be secured, nor need a license already secured be transferred.

Sec. 11. (1) Whenever any dog licensed in one county is permanently removed to another county, the sheriff of the county where the license was issued or the Board shall, upon application of the owner of the dog, certify that license to the

sheriff of the county to which the dog is removed. The sheriff of the county to which the dog has been removed or the Board shall, upon the payment of a fee of twenty-five cents, issue a license and tag for the dog in the county to which it is removed.

(2) Subsection (1) shall not apply to dogs used during the hunting season for hunting game, or temporarily used for breeding, trial or show in the state, nor for the transportation of dogs for hunting, breeding, trial or show purposes, the home county license holding good for such purposes throughout the state.

Sec. 12. (1) Any person who keeps or operates a kennel may, in lieu of the license for each dog required by Section 3 of this Act, apply to the sheriff or the Board for a kennel license entitling him to keep or operate the kennel.

(2) No kennel license shall be issued or be valid unless the person applying for it is the owner of all dogs kept in the kennel or the persons so applying are the owners in common of all dogs kept in the kennel.

(3) The license shall be issued by the sheriff or the Board on a form prepared and supplied by the Board and shall entitle the licensee to keep any number of dogs not at any time exceeding a certain number specified in the license.

(4) The fee to be paid for kennel licenses shall be ten dollars for each license to keep ten dogs or less, and twenty-five dollars for each license to keep more than ten dogs.

Sec. 13. (1) With each kennel license the sheriff or the Board shall issue a number of metal tags equal to the number of dogs authorized to be kept in the kennel. Each tag shall bear the name of the county in which the kennel is located and the number of the kennel license, and shall be readily distinguishable from the individual license tags for the same year.

(2) The licensee of a kennel shall, at all times, keep a tag attached to a collar on each dog kept by him under a kennel license. Such tags may be transferred from one dog to another within the kennel whenever any dog is removed from the kennel.

Sec. 14. (1) No dog authorized to be kept by a kennel license shall be permitted to stray or be taken anywhere outside the limits of the kennel, except temporarily and in leash, or temporarily for the purpose of hunting, breeding, trial or show.

(2) Any dog outside of the kennel in violation of subsection (1) shall be considered as if never licensed.

Sec. 15. (1) The county tax commissioner in each county shall annually, at the time of assessing property, make diligent inquiry as to the number of dogs owned, harbored, or kept by any person, and shall make an affidavit, setting forth that he has made diligent inquiry and visited all persons in the county to ascertain whether or not they had dogs, and has listed all dogs. On his failure to make the affidavit, he shall not receive anything for his services.

(2) The county tax commissioner shall annually, on or before December 31, make a complete report to the sheriff, and a duplicate report to the Board on a blank form furnished by the Board, setting forth the name of every owner of any dog, whether licensed or unlicensed, the license number of each dog, how many of each sex, licensed or unlicensed, are owned or harbored by the owner, and if a licensed or unlicensed kennel is maintained by any person that fact shall also be stated.

(3) The county tax commissioner, at the time of taking the list, shall notify the owner of the dog that he is required to obtain a license, but the neglect or failure to notify the owner shall not relieve the owner from his duty to obtain the license.

Sec. 16. (1) Each sheriff shall keep a record of all dog licenses and all kennel licenses issued during the year. The record shall contain the name and address of the person to whom each license is issued. In the case of an individual license, the record shall also state the breed, sex, age, color and markings of the dog licensed; and, in the case of a kennel license, the place where the business is conducted. The record shall be a public record and open to persons interested, during business hours. The Board shall keep the same or a similar record with respect to each license issued by it.

(2) Whenever the ownership or possession of any licensed dog is transferred from one person to another, except in the case of a temporary transfer of dogs for hunting, breeding, trial or show, as provided in Section 10 of this Act, the transfer shall be noted on the record of the sheriff or of the Board making the transfer.

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Sec. 17. (1) All license fees collected by each sheriff or paid over to him by a deputy sheriff, less his authorized fee, shall be paid to the Board and credited to the Livestock Fund.

(2) All fines collected under this Act shall, after costs and commissions have been deducted, be paid to the Board to be credited to the Livestock Fund.

(3) Each sheriff shall keep, as a matter of information, an accurate record of all license fees collected by him or paid over to him by a deputy sheriff, in a book furnished by the Board.

(4) All expenses incurred under this Chapter and not otherwise provided for, shall, upon the approval of the Board, be paid out of the Livestock Fund.

Sec. 18. Each sheriff or deputy sheriff shall receive fifteen cents for each license issued by him, to be retained by the sheriff or deputy sheriff as his fee for issuing the license.

Sec. 19. (1) The owner of a dog which has killed or injured any livestock, or has bitten them so seriously that they have had to be destroyed, shall be civilly liable to the owner of the livestock for all damages done, and costs.

(2) If it appears from the complaint, and from the appraisers' report filed under Section 29 of this Act, that the owner who suffers the loss will for any cause probably be unable to collect the damages in a civil action, or if it appears from the complaint and appraisers' report that the owner of the dog is not known, the owner who suffers the loss shall be reimbursed out of the Livestock Fund in the manner and subject to the terms, provisions and limitations in this Act provided or authorized.

Sec. 20. Any person may bring, or cause to be brought into the State, for a period of thirty days, one or more dogs for show, trial, or breeding purposes without securing a license, and any person holding a Kentucky nonresident hunting license may, without securing a license or licenses therefor, bring or cause to be brought into the State one or more dogs for the purpose of hunting game during any hunting season when hunting with dogs is permitted by law, if a similar exemption from the necessity of securing dog licenses is afforded for hunting purposes to residents of Kentucky by the state of such person's residence;

provided, however, that each dog is equipped with a collar bearing a name plate giving the name and address of the owner.

Sec. 21. On and after the first day of July, 1950, it shall be unlawful for any person to own or keep any dog six months old or older, unless such dog is licensed in or for the county in which the dog is kept, and unless such dog at all times wears the collar and tag provided for by this Act, unless such dogs are temporarily brought into the State for breeding, hunting, trial, or show purposes as hereinbefore provided.

Sec. 22. (1) It shall be the duty of every police officer to seize and detain any dog or dogs which bear a proper license tag and which are found running at large, either upon the public streets or highways of the Commonwealth, or upon the property of other than the owner of such dogs, and unaccompanied by the owner or keeper. Any police officer is hereby authorized and empowered to go upon any premises and enter any building to seize and detain any dog or dogs which have been found running at large unaccompanied by the owner or keeper, when such police officer is in immediate pursuit of any such dog or dogs. The police officer shall cause any dog bearing a proper license tax and so seized and detained to be properly kept and fed, and shall cause immediate notice either personal or by registered mail, to be given to the person in whose name the license was procured, or his agent, to claim such dog within ten days. The owner of a dog so detained shall pay all reasonable expenses incurred by reason of its detention, under the provisions of this section, before the dog is returned. If, after ten days from the giving of such notice, the dog has not been claimed, the police officer shall dispose of such dog by sale or by destruction in some humane manner. No dog so caught and detained shall be sold for the purpose of vivisection. All moneys derived from the sale of such dog, after deducting the expense of its detention and sale, shall be paid to the Board.

(2) It shall be the duty of every police officer to kill any dog which does not bear a proper license tag, which is found running at large.

Sec. 23. An officer shall be paid the sum of two dollars for killing and properly disposing of the carcass of each unli-

censed dog by cremation, burial, or other approved sanitary method. All expenses incurred under this or the preceeding section and not otherwise provided for, shall be paid by the Board from the Livestock Fund.

Sec. 24. (1) It shall be unlawful for any police officer to fail or refuse to perform his duties under the provisions of this Act, or to refuse to assist in the enforcement of this law upon request of the Board.

(2) It shall be unlawful for any person to interfere with any officer or agent in the enforcement of this law.

(3) It shall be unlawful for any person to forcibly cut the leash or take a dog away from an officer having it in his possession, when such dog was found running at large unaccompanied by the owner or keeper or unlicensed.

Sec. 25. (1) Any person may kill any dog which he sees in the act of pursuing, worrying, or wounding any livestock, or wounding or killing poultry, or attacking human beings, whether or not such dog bears the license tag required by the provisions of this Act. There shall be no liability on such person in damages or otherwise for such killing.

(2) Any unlicensed dog that enters any field, or any dog that enters any field or inclosure where livestock or poultry are confined which is not accompanied by its owner or keeper shall constitute a private nuisance and the owner or tenant of such field, or his agent or servant, may kill such dog while it is in the field or inclosure, without liability or responsibility of any nature for such killing.

(3) Licensed dogs, when accompanied by their owner or handler, shall not be included under the provisions of this section, unless caught in the act of worrying, wounding or killing any livestock, or wounding or killing poultry, or attacking human beings.

(4) Any person who has been attacked by a dog, or any one for such person, may make a complaint before a Justice of the Peace, or Judge of any Police or Quarterly Court, charging the owner or keeper of such dog with harboring a vicious dog. A copy of such complaint shall be served upon the person so charged, in the same manner and subject to the same laws reg-

ulating the service of summons in civil suits, directing him to appear for a hearing of such complaint at a time fixed therein. If such person shall fail to appear at the time fixed, or if upon a hearing of the parties and their witnesses, the Court shall find the person so charged is the owner or keeper of the dog in question, and that the dog has viciously and without cause, attacked a human being when off the premises of the owner or keeper, such official shall order the said owner or keeper to henceforth keep such dog securely confined.

(5) For his services in such proceedings, the judge or justice of the peace and the police officer shall be entitled to the same fees they are entitled to for performing similar services in civil cases. In all proceedings under this section, such court shall place the costs upon either party as he may determine.

(6) It shall be unlawful for the owner or keeper of any vicious dog, after receiving such order, to permit such dog to run at large, or to appear on the public highways unless in leash. Any such dog found running at large may be killed by any police officer without liability for damages for such killing.

Sec. 26. (1) All dogs hereby are declared to be personal property and subjects of larceny. Except as provided in Section 25 of this Act, it is unlawful for any person, except a police officer, to kill, injure, or poison, or attempt to kill, injure, or poison, any dog which bears a license tag for the current year.

(2) It shall be unlawful for any person to place any dog-button or any poison of any description in any place, on his own premises or elsewhere, where it may be easily found and eaten by dogs.

Sec. 27. It shall be unlawful for the owner or keeper of any female dog to permit such female dog to go beyond the premises of such owner or keeper at any time she is in heat, unless such female dog is properly in leash.

Sec. 28. (1) The owner or keeper of every dog shall at all times between the hours of sunset and sunrise of each day keep such dog either—(a) confined within an inclosure from which it cannot escape, or (b) firmly secured by means of a collar and chain or other device so that it cannot stray beyond the premises

on which it is secured, or (c) under the reasonable control of some person or when engaged in lawful hunting accompanied by an owner or handler.

(2) Any police officer may kill any dog found running at large between the hours of sunset and sunrise and unaccompanied and not under the control of the owner or handler.

Sec. 29. (1) Whenever any person sustains any loss or damage to any livestock or poultry by dogs, or sustains loss of livestock from rabies, or any livestock or poultry of any person is necessarily destroyed because of having been bitten by a dog, except when such loss, destruction or damage shall have been caused by a dog harbored by the owner of such livestock or poultry, such person or his agent or attorney may, immediately after the damage is done, complain to a duly authorized agent of the Board. Such complaint shall be in writing, shall be signed by the person making such complaint, and shall state when, where, and how such damage was done, and by whose dog or dogs, if known, or whether the animal died from rabies or was killed because of rabies. Claims covering damage due to rabies shall be made immediately following the death of the animal, and shall be supported by a certificate from a duly licensed veterinarian, or a report from a laboratory approved by the Board to the effect that such animal was affected with rabies. It shall not be necessary to prove that an animal dying from or killed because of rabies was actually bitten by a dog. The presumption shall exist that such animal was so bitten. Upon receipt of such notice, the agent of the Board shall at once examine the place where the alleged loss or damage was sustained and the livestock or poultry injured or killed or in case of rabies where it died or was killed. The agent of the Board shall examine under oath or affirmation, any witnesses called before him. After making diligent inquiry in relation to such claim, such agent, acting as appraiser, shall determine whether any damage has been sustained and the amount thereof and, if possible, who was the owner of the dog or dogs by which such damage was done. If the owner does not agree as to the amount of damage allowed by the appraiser, the owner and appraiser may appoint a disinterested citizen to assist in determining the amount of damage sustained. For such services, the said disinterested citizen shall

receive two dollars and mileage at five cents per mile for the distance traveled, which shall be paid by the owner and considered as part of the costs in such claim.

(2) Any owner or keeper of such dog or dogs shall be liable to the owner of such livestock or poultry, in a civil action, for all damages and costs, or to the Commonwealth to the extent of the amount of damages and costs paid by the Commonwealth as hereinafter provided.

Sec. 30. The Commonwealth shall be liable to the owner of any legally licensed dog for the value thereof not exceeding its assessed value and in no event to exceed one hundred dollars if illegally killed by any police officer or other person, and the Commonwealth may thereupon recover the amount so paid to such owner from the police officer or other person doing the illegal killing by an action at law. The value of said dog shall be ascertained in the same manner as provided in Section 29 of this Act for affixing the damage done to livestock by dogs.

Sec. 31. (1) Upon the Board receiving and approving the appraisal report, if it appears thereby that a certain amount of damage has been sustained by the claimant, the Commissioner shall immediately draw a requisition in favor of the claimant for the amount of loss or damage such claimant has sustained according to such report, together with necessary and proper costs incurred. Such amount shall be paid from the Livestock Fund. If such report is not approved, and it is deemed advisable, a further investigation may be made by the Board through its officers or agents, to ascertain the amount of damage sustained. No person shall receive payment for any claim until the appraiser, before whom the claim was made, has certified that due diligence was made to ascertain whose dog or dogs did the damage, and the claimant has certified that the carcasses of the livestock or poultry killed or dying from or killed because of rabies and for which damages have been assessed were buried within twenty-four hours after the assessment of damages. The owners of any livestock or poultry killed by dogs, or livestock dying from or killed because of rabies, or livestock necessarily destroyed because of having been bitten by a dog other than a dog harbored by such person, shall be paid a burial fee, as fol-

lows: For each stallion, horse, colt, gelding, mare, bull, bullock, steer, heifer, cow, mule, jack, jennet, or burro, one dollar and fifty cents; for sheep, ram, lamb, calf, goat, kid, or swine, one dollar each for the first three animals, and fifty cents for each additional animal; for each head of poultry or domestic game bird, domestic hare or rabbit, ten cents each—to be included in said report and paid as other damages under this section. Where said carcasses are turned over to a scavenger or reduction plant, no burial fee shall be allowed.

(2) Upon payment by the state of damages to livestock or poultry by dogs, the rights of the owner of such livestock or poultry or domestic game bird against the owner of a dog, to the extent of the amount of damages so paid by the state, shall inure to the benefit of the state.

Sec. 32. (1) No payment shall be made for any injury to or destruction of livestock or poultry if payment has been made by the owner of the dog or dogs doing the injury. The fact that no such payment has been made shall be certified by the claimant.

(2) When any payment is made by the state for any livestock, including poultry, injured by a dog, and livestock dying from or killed because of rabies, such payment shall not exceed one hundred dollars for each horse or mule; one hundred dollars for each head of unregistered cattle; one hundred twenty-five dollars for each head of registered cattle; twenty dollars for each head of unregistered swine, sheep or goats; forty dollars for each head of registered swine, sheep or goats; three dollars for each full grown goose; five dollars for each full grown turkey; and one dollar for each head of other poultry, or domesticated hare or rabbit. All appraisals under this Act shall be the actual value of the livestock, including poultry killed or injured.

Sec. 33. Any valid claims, or parts thereof, for loss or damage to sheep, horses, mules, cattle, swine or poultry which have accrued under the provisions of Chapter 258 of the Kentucky Revised Statutes, 1948 Edition, and any such claims which may accrue prior to July 1, 1950 shall not abate by reason of the repeal of such Act, but to the extent that funds are available for the payment thereof, such claims shall be paid out of the avail-

able fund of the proper county; and for such purposes the provisions of said Act are hereby saved from repeal.

Sec. 34. (1) If, in the report of the appraiser, the name of the owner of any dog or dogs having caused loss or damage to any livestock or poultry is definitely and conclusively shown, or if a written complaint is filed with the Board by any owner of livestock or poultry against any dog or dogs, stating that such dog or dogs has or have been seen pursuing or worrying livestock or poultry, and if such charge is proven by investigation on the part of the Board, the Commissioner may notify the owner or keeper of such dog or dogs to immediately kill the same; whereupon it shall be unlawful and a violation of this Act for such owner or keeper to permit or cause such dog or dogs, while alive, to leave or be removed from such premises. The killing of such dogs does not remove the liability of the owner of such damage done by his dog or dogs. Upon failure of such owner to comply with such order within a period of ten days, any police officer, upon notice from the Board, shall kill such dog or dogs wherever found. For such service he shall be entitled to a fee of one dollar for each dog so killed, to be paid out of the Livestock Fund upon presentation to the Board of satisfactory proof that such dog or dogs have been killed by him.

(2) Any person who owns or harbors an unlicensed dog or dogs shall forfeit any right to be reimbursed for any damage to his livestock or poultry by dogs.

Sec. 35. It is unlawful for any person knowingly to make any false statement or to conceal any fact required to be disclosed under any of the provisions of this Act.

Sec. 36. (1) In any proceeding under this Act, the burden of proof of the fact that a dog has been licensed, or has been imported for breeding, trial, or show purposes, or that a dog is under the age of six months, shall be on the owner of such dog.

(2) Any dog not bearing a license tag shall *prima facie* be deemed to be unlicensed.

Sec. 37. (1) When the inhabitants of any city, or county, or of any part thereof, have suffered an excessive amount of damage to livestock or poultry or domestic game birds by dogs, a pe-

tion may be presented to the Board, signed by twenty or more of such inhabitants who are owners of livestock or poultry, alleging such excessive damage and requesting that a quarantine be placed on all dogs within the limits of such city, or county, or such part thereof. Upon receipt of such petition, the Board may, through its authorized agents, have an investigation made of the facts alleged therein and, if convinced that conditions in such city, county, or such designated area, demand such stringent measures, may establish a dog control quarantine therein.

(2) When such quarantine is established, at least ten notices thereof shall be posted throughout the area affected thereby, and notice thereof shall also be published in at least one issue of a newspaper of general circulation throughout such city, or county.

(3) It shall be unlawful for any person, residing in the area affected by such quarantine, to permit a dog owned or harbored by him to run at large in such quarantined area, or to leave the premises where it is kept, unless accompanied by and under the control of the owner or a handler.

(4) Any police officer may kill any dog running at large in a quarantined area, in violation of such quarantine, without any liability for damage of such killing.

Sec. 38. (1) The Board, through its officers and agents, shall be charged with the enforcement of this Act. To this end, the Board may employ all proper means for the enforcement of this Act and may enter into agreements with local agencies and organizations to aid and assist in the enforcement of the Act. The Board may employ such personnel as may be necessary for the effective enforcement of the provisions of this Act and persons so employed shall have all of the powers of peace or police officers with respect to the enforcement of this Act and they may enter upon the premises of any person for the purpose of investigation upon displaying a badge of identification to be furnished by the Board. The Board may conduct a publicity campaign to aid in the enforcement of the provisions of this Act. The costs of publishing advertisements, notices, and other publications deemed desirable by the Board shall be paid out of the Livestock Fund as a part of the costs of administering this Act. All

salaries, traveling expenses and other expenses incurred by the Board, its officers and agents, including the costs of publishing notices, advertisements and other publications, the costs of license blanks, tags and other expenses incident to the enforcement of this Act, shall be paid out of the Livestock Fund. All other claims and charges authorized by this Act, or by rules and regulations made by the Board pursuant to the provisions of this Act, shall also be paid out of the Livestock Fund.

(2) The Board shall make and promulgate such rules and regulations for the enforcement of this Act as it may deem reasonable and proper.

Sec. 39. The Board shall fix and prescribe reasonable fees to be paid to its agents and appraisers and the expenses which will be allowed and paid to such agents. All full-time employes of the Board shall be paid salaries and expenses to be fixed by the Board with the approval of the Department of Finance.

Sec. 40. Notwithstanding any of the terms or provisions of this Act, the Commonwealth of Kentucky shall not be liable for any loss, injury to, or destruction of livestock, poultry, or licensed dogs under any of the terms or provisions of this Act except as to such claims arising after June 30, 1951, and then only to the extent that monies may be available in the Livestock Fund for the payment of such claims. Within the meaning of this section, the loss, injury to, or damage of livestock, poultry or licensed dogs must happen or occur after June 30, 1951.

Sec. 41. Nothing in this Act shall be construed to prohibit or to limit the right of any municipality to pass or enforce any ordinance with respect to the regulation of dogs, the provisions of which are not inconsistent with the terms and provisions of this Act. Nothing in this Act shall be construed to repeal any of the provisions of the fish and game laws of the Commonwealth of Kentucky now in effect, nor any laws relating to the powers and duties of the State Board of Health, or of any health officer relating to mad dogs or dogs affected with any disease, or to prohibit the killing of licensed or unlicensed dogs in accordance with the provisions of any quarantine regulations made in accordance with the provisions of any local or state health officer.

Sec. 42. Any person violating or failing or refusing to comply with any of the provisions of this Act shall, upon conviction, be fined not less than five dollars nor more than one hundred dollars or imprisoned for not less than five nor more than sixty days or both so fined and imprisoned.

Sec. 43. Except as provided in Section 33 of this Act, Chapter 258 of the Kentucky Revised Statutes hereby is repealed in its entirety.

Sec. 44. In addition to the license fees, fines and other revenues provided by this Act, there hereby is appropriated to the Board for the account of the Livestock Fund for the administration and enforcement of this Act, the sum of thirty thousand dollars for each of the fiscal years 1950-51 and 1951-52.

Sec. 45. (1) Except as provided in Sections 32 and 40, this Act shall take effect on the first day of July, 1950. The Board may issue license blanks and tags and the sheriffs may issue licenses for the year 1950 at any time after July 1, 1950. All license fees collected by the sheriffs for the licensing of dogs after June 30, 1950 shall be paid to the Board on or before the fifteenth day of the following month and the Board shall cover such receipts into the State Treasury through the Department of Finance and the fund so covered in the State Treasury shall be credited to the Livestock Fund to be expanded as authorized by this Act.

(2) The Livestock Fund shall constitute a revolving fund and any balance remaining in said fund at the end of any fiscal year shall be carried over to the next succeeding year and no part thereof shall revert to the General Fund, except that on the first day of January of any year any unencumbered sum in excess of \$200,000 standing to the credit of the Livestock Fund shall revert to the General Fund.

By Mr. Smith.

H. B. No. 468. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 140.240 of the Kentucky Revised Statutes is amended to read as follows:

The personal representative of any estate from which a tax is or may be due may make an estimate agreeable to the Department of Revenue and pay that amount to the department, which shall receipt therefor, at any time before the amount of tax is determined, and shall thereupon be entitled to the discount and be relieved of interest and penalty. Permits shall then be issued for the transfer of securities or real property upon the amount so paid in the same manner as if the tax were then determined except that no permit shall be required in any case where securities are transferred by a personal representative who is bonded in an amount sufficient to pay the taxes thereon. Any excess so paid shall be refunded to the person paying or entitled thereto, out of the General Fund in the same manner and subject to the same conditions as other refunds are made except that, the request for the refund may be made at anytime within two years after the date of the final assessment made by the department.

Sec. 2. Section 140.250 of the Kentucky Revised Statutes is amended to read as follows:

(1) No safe deposit company, trust company, bank or other institution or person engaged in the business of renting safe deposit boxes or other receptacles of similar character shall rent any such box or receptacle without first requiring all persons given access thereto to agree in writing to notify the safe depository, bailee or lessor, from whom the box or receptacle is rented, of the death of any person having the right of access thereto, before seeking access to such box or receptacle after the death of such person. All persons having the right of access to any such safe deposit box or receptacle, before seeking access to the box or receptacle after the death of any other person having access thereto, must notify the depository, bailee or lessor, from whom the box or receptacle is rented, of the death of such person.

(2) No safe deposit company, trust company, bank or other institution or person having in possession or under control,

custody or partial custody any safe deposit box or similar receptacle shall permit access thereto by anyone after the death of any person who, at the time of his death, had the right or privilege of access thereto either as principal, deputy, agent or co-tenant, without the consent of the Department of Revenue or a person authorized by it to issue such consent.

(3) No safe deposit company, trust company, bank or other institution or person having in possession or under full or partial control or custody securities, deposits or other property, including the shares of the capital stock of, or other interest in, the safe deposit company, trust company, bank or other institution, belonging to or standing in the name of a decedent or in the joint name of a decedent and another person, shall deliver or transfer the property to personal representatives, agents, deputies, attorneys, trustees, legatees, heirs or successors in interest of the decedent or to any other person, or to the survivor when held in the joint names of the decedent and another person, or upon their order or request, without retaining a sufficient portion thereof to pay any tax and interest that may thereafter be assessed thereon under this chapter, nor unless notice of the time and place of such delivery or transfer is served upon the Department of Revenue at least thirty days prior to the proposed delivery or transfer. The department or a person authorized by the Commissioner of Revenue in writing may consent in writing to the delivery or transfer, and such consent shall relieve the safe deposit company, trust company, bank or other institution or person from the obligation under this section to give notice or to retain any portion of the property of the decedent in its lawful possession or control.

(4) The department may examine the property at the time of delivery or otherwise.

(5) Any safe deposit company, trust company, bank or other institution or person failing to comply with the provisions of this section shall be liable for the amount of taxes, interest and penalties due under this chapter on the property mentioned in this section. The penalties and liabilities for the violation of this section may be enforced in an action brought by the department in any court of competent jurisdiction.

(6) The provisions of this section shall not apply to prevent a personal representative of any decedent from distributing or transferring title to any securities in his hands, provided such personal representative satisfies the appropriate county court that he is under bond in an amount sufficient to pay the inheritance taxes upon such securities.

By Mr. Polsgrove.

H. B. No. 469. AN ACT relating to school teachers.
Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

No superintendent, supervisor, principal or other school administrator, his agents or appointees, other than teachers, shall solicit, persuade, urge, ask, demand or coerce in any way the teachers of his school district to join or contribute to any educational or teachers' organization, professional or otherwise. Any superintendent, supervisor, principal or other school administrator who violates this section shall forfeit his office and his certificate shall be revoked.

By Mr. Britton.

H. B. No. 470. AN ACT relating to school attendance.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 159.080 of the Kentucky Revised Statutes is amended to read as follows:

Each board of education shall, upon the nomination and recommendation of the superintendent, appoint and fix the salary of so many visiting teachers as are deemed necessary. A visiting teacher may be appointed for a term of one, two, three or four years, to take office July 1. He shall be responsible to the superintendent of schools and may be removed for cause at any

time by a vote of three members of the board. He shall take an oath of office. In the case of a vacancy in the office for an unexpired term, the appointment shall be made so the term will end on June 30.

Sec. 2. Section 159.100 of the Kentucky Revised Statutes is amended to read as follows:

Each visiting teacher shall be at least twenty-five years of age, shall, throughout his tenure of service, hold a valid certificate issued in accordance with the rules and regulations of the State Board of Education and shall have such other qualifications as the State Board may prescribe.

Sec. 3. Section 159.110 of the Kentucky Revised Statutes is amended to read as follows:

Visiting teachers shall be allowed their necessary and authorized expenses incurred in the performance of their duties.

Sec. 4. Section 159.120 of the Kentucky Revised Statutes is amended to read as follows:

The office of the superintendent of schools shall be the office of the visiting teacher or teachers and suitable space shall be provided therein or adjacent thereto for them.

Sec. 5. Section 159.130 of the Kentucky Revised Statutes is amended to read as follows:

The visiting teachers shall be vested with the powers of peace officers, provided, however, that they shall not have the authority to serve warrants. They may investigate in their district any case of nonattendance at school of any child of compulsory school age or suspected of being of that age. They may take such action in accordance with law as the superintendent of schools directs or as they deem proper in the absence of specific directions. They may, under the direction of superintendent of schools and the board of education, the State Attendance Officer, or the State Board of Education, institute proceedings against any person violating any of the provisions

of the laws relating to compulsory attendance and the employment of children. They may enter all places where children are employed and do whatever is necessary to enforce the laws relating to compulsory attendance and the employment of children of compulsory school age. No person shall refuse to permit or in any way interfere with the entrance therein of visiting teachers or in any way interfere with any investigation therein.

Sec. 6. Section 159.140 of the Kentucky Revised Statutes is amended to read as follows:

The visiting teacher shall devote his entire time to the duties of his office. He shall look upon his job as that of a missionary for the cause of education and shall use all means and methods to obtain regular school attendance of the children in his district, provided, however, that the compulsory attendance provisions of this chapter shall be used only as a last resort. The visiting teacher shall:

(1) Acquaint the school with the home conditions of the child, and the home with the work and advantage of the school;

(2) Ascertain the cause of irregular attendance and truancy, and seek the elimination of these causes;

(3) Secure the enrollment in school of all children who should be enrolled and keep all enrolled children in reasonably regular attendance;

(4) Visit the homes of the children who are absent from school or who are reported to be in need of books, clothing or parental care;

(5) Ascertain and report to the superintendent of schools in the district in which the child resides the number and cost of books and school supplies needed by any child whose parent, guardian or custodian does not have sufficient income to furnish the child with the necessary books and school supplies;

(6) Keep the records and make the reports that are required by law, by regulation of the State Board of Education,

by the State Attendance Officer, and by his superintendent and board of education.

(7) Enforce the compulsory attendance and census laws in the attendance district which he serves;

(8) Perform any other duties assigned him by the State Board of Education or by his district board of education.

Sec. 7. Section 159.240 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each board of education shall maintain a permanent and continuing school census and, for the carrying out of this duty, shall, upon the nomination and recommendation of the superintendent, appoint and fix the salary of a school census officer and such assistant census officers as are deemed necessary. A school census officer may be appointed for a term of one, two, three or four years, to take office July 1. He shall be responsible to the superintendent of schools and may be removed for cause at any time by a vote of three members of the board. He shall take an oath of office. In the case of a vacancy in the office for an unexpired term, the appointment shall be made so the term will end on June 30.

(2) Each school census officer and his assistants shall be at least twenty-five years of age and shall meet such other qualifications as are required by the State Board of Education.

(3) School census officers and their assistants shall be allowed their necessary and authorized expenses incurred in the performance of their duties.

(4) The office of the superintendent of schools shall be the office of the school census officer and suitable space shall be provided therein or adjacent thereto for him.

Sec. 8. Section 159.250 of the Kentucky Revised Statutes is amended to read as follows:

The school census officer and his assistants, working under the direction of the superintendent of schools, shall have as their sole duty the instituting and maintaining of a complete,

accurate, permanent and continuous census of all children between the ages of six and eighteen that reside in the school district. A child's age is between six and eighteen when the child has reached his sixth birthday and eighteenth birthday. The school census shall be maintained on a current basis with proper purgings and additions being made at least once each week. It shall specify the name, date of birth and sex of each child; the name, nationality, occupation and post office address of each parent, guardian or custodian of the child; the school district in which the child resides; and the school to which the child belongs. The census shall contain any other data required by the superintendent of Public Instruction.

Sec. 9. Section 159.260 of the Kentucky Revised Statutes is amended to read as follows:

The census officer of each school district shall, on or before June 1 of each year, prepare a report showing the number of children residing in the school district or districts that he serves who will, on July 1 following, be between the ages of six and eighteen years. The report shall list the children according to the schools to which they belong in each school district. The report shall be made on forms furnished by the State Board of Education and shall contain any other information required by the Superintendent of Public Instruction. It shall be sworn to before a notary public as being a correct statement as shown by the census on file in the office of the school census officer. The original and a duplicate copy of the report shall be filed with the district board of education. The board shall mail the original to the Superintendent of Public Instruction and retain the copy in its office.

Sec. 10. Section 159.270 of the Kentucky Revised Statutes is amended to read as follows:

No school census officer or other person shall willfully or fraudulently report a larger number of children of school age in any district than the actual number, or otherwise make a false report of the census to the Superintendent of Public Instruction.

Sec. 11. Subsection (2) of Section 159.990 of the Kentucky Revised Statutes is amended to read as follows:

(2) Any principal, teacher, visiting teacher, school census officer, assistant school census officer or other school officer who willfully fails to comply with the provisions of KRS 159.010 to 159.260, or of KRS 160.330 shall be fined not less than twenty-five dollars nor more than fifty dollars. Upon conviction under this subsection a visiting teacher, school census officer or assistant school census officer shall be removed from office and have his certificate revoked, and a principal teacher or other school officer may have his certificate revoked.

Sec. 12. Section 161.090 of the Kentucky Revised Statutes is amended to read as follows:

The State Board of Education upon the recommendation of the Superintendent of Public Instruction shall prepare rules and regulations for the certification of visiting teachers and school census officers.

Sec. 13. Sections 159.070 and 159.090 of the Kentucky Revised Statutes are hereby repealed.

By Mr. Combs.

H. Res. No. 72. A JOINT RESOLUTION authorizing G. W. Lykins and Ollie D. Lykins to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That G. W. Lykins and Ollie D. Lykins, of Hazard, Perry County, Kentucky, are authorized to sue the Commonwealth of Kentucky and the Department of Highways, or either, in the Perry Circuit Court for the amount of the consideration alleged to be due them for property conveyed to the Commonwealth by the said G. W. Lykins and Ollie D. Lykins by deed dated the

17th day of January, 1950; said property situated in Hazard, Kentucky, and the amount of the consideration in said deed being stated as \$24,000.00.

The said suit shall be for a sum not in excess of \$24,000.00 with interest thereon and costs of the suit.

The Attorney General may investigate the claim herein referred to and settle the same before or after the suit is filed, if he deems advisable.

Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

By Mr. Hanratty.

H. Res. No. 73. A JOINT RESOLUTION appropriating the sum of One Thousand Dollars (\$1,000.00) as an additional contingent fund for the Clerk of the House, and appropriating the sum of One Thousand Dollars (\$1,000.00) as an additional contingent fund for the Clerk of the Senate, and declaring an emergency.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That for the purpose of paying additional necessary expenses incurred by the Chief Clerk of the House of Representatives, and the office of the Speaker, under the direction of the House of Representatives of the Commonwealth of Kentucky, there is hereby set aside out of the appropriation made by Chapter 2 of the Acts of 1948 for legislative sessions as a contingent fund, the sum of One Thousand Dollars (\$1,000.00), and for the purpose of paying additional necessary expenses incurred by the Chief Clerk of the Senate, under the direction of the Senate of the Commonwealth of Kentucky, there is hereby set aside out of the appropriation made by Chapter 2 of the Acts of 1948 for

legislative sessions as a contingent fund, the sum of One Thousand Dollars (\$1,000.00). Said respective funds shall be paid out on warrant of the Department of Finance on requisition of the Chief Clerk of the House of Representatives and of the Senate.

WHEREAS, it is necessary that these contingent funds for the Chief Clerks of the House of Representatives and Senate be immediately available, an emergency is hereby declared to exist and this resolution shall be effective from and after its passage and approval by the Governor of the Commonwealth of Kentucky.

Ordered that said bills and said resolutions be printed and referred to the Committee on Rules.

Mr. Barkley Jones sent to the Chief Clerk's desk a written statement and moved that it be spread at length upon the Journal.

Said motion was agreed to.

Said statement is as follows, viz:

The roll call on H. B. No. 448 shows that Barkley Jones (D. Calloway) voted "Aye." The intention of Mr. Jones was to vote "No" and this insertion in the record is to clarify his position.

s/ Barkley Jones

Mr. Hanratty moved that the rules be suspended for the purpose of allowing a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Committee on Rules, to which the same had previously been referred, reported bills and resolutions of the following titles, viz:

H. B. No. 434. AN ACT relating to motor trucks, semi-trailer trucks, and to trailers operating with permits, establish-

ing and regulating the maximum height, length, width, and weight thereof, and authorizing the Commissioner of Highways to designate classifications of highways for the purpose of regulating said maximum dimensions and weight, and providing for the enforcement of regulations with regard thereto by the assessment of fines and other penalties and by the appointment of weight-masters having the authority of peace officers, and repealing KRS 189.180, 189.220, 189.225, 189.235, 189.240, and 189.250, and amending KRS 189.990 (2), and for other purposes related thereto.

S. B. No. 59. AN ACT to amend Section 289.290 of the Kentucky Revised Statutes, relating to the amendment of articles of incorporation and bylaws of building and loan associations.

S. B. No. 90. AN ACT relating to the transfer of title to, and registration of, motor vehicles.

S. B. No. 123. AN ACT relating to divorce and repealing, amending and reenacting KRS 403.020.

S. B. No. 128. AN ACT relating to matrons of police court in cities of first class.

S. B. No. 142. AN ACT relating to mechanics' and materialmen's liens.

S. B. No. 152. AN ACT to regulate the racing of trotting horses in the Commonwealth of Kentucky and providing for the establishment of the Kentucky Trotting Commission and prescribing its powers and duties.

S. B. No. 174. AN ACT relating to parental and marital duties and obligations, with particular relation to desertion, abandonment or failure to provide maintenance or support for a child or wife, and the custody of children, amending KRS 435.240.

S. B. No. 176. AN ACT relating to Professional Nursing, including provision for licensing and regulation of the practice

of professional nursing and the approval of Schools of Professional Nursing.

S. B. No. 178. AN ACT to regulate practical nursing including provision for licensing the practice of practical nurses and for the approval of schools of practical nursing.

S. B. No. 181. AN ACT relating to workmen's compensation.

S. B. No. 182. AN ACT relating to Workmen's Compensation.

S. B. No. 183. AN ACT relating to income taxation.

S. B. No. 187. AN ACT Relating to Corporations.

H. B. No. 416. AN ACT amending Section 29.390 of the Kentucky Revised Statutes, relating to the compensation of jurors.

S. B. No. 195. AN ACT relating to war time, repealing Section 39.290 of the Kentucky Revised Statutes.

H. B. No. 436. AN ACT to repeal, amend and re-enact Section 336.130, Kentucky Revised Statutes, 1948 (Fourth Biennial Edition), relating to employer-employee relations.

H. B. No. 444. AN ACT to authorize communities of this Commonwealth to adopt plans and to undertake projects for the acquisition, clearance, preparation and sale and lease of land in slum or blighted areas for development or redevelopment; to authorize communities to exercise powers therefor, including acquiring property through eminent domain or otherwise, borrowing money, issuing bonds and other obligations and giving security therefor; to authorize communities to designate or create certain public agencies to exercise such powers; to authorize communities to furnish and contract to furnish funds, services, facilities, and property for such projects, and to obtain funds therefor by the issuance of obligations, by taxation or otherwise; and to provide that obligations issued for slum clearance or redevelopment projects shall be legal investments.

H. B. No. 405. AN ACT relating to plumbers and plumbing.

H. B. No. 409. AN ACT to amend Section 339.230 of the Kentucky Revised Statutes relating to child labor.

H. B. No. 461. AN ACT relating to county treasurers, amending sub-section (1) of Section 68.010 of the Kentucky Revised Statutes.

H. B. No. 343. AN ACT to promote safety in the operation of stationary steam power and heating plants, and to protect property and human life against the hazard of unattended steam generating equipment and of explosion and fire resulting from the operation of such plants by unskilled, incompetent, negligent or bibulous operators: To establish an agency of the State Government, designated, The Kentucky State Board of Examiners of Stationary Boiler Operators, and prescribe the power, duties, authority, salaries and functions of such board, including its authority to make such reasonable rules and regulations, in harmony with the provisions of the Act, as may be necessary and proper to its enforcement: And to require a license and provide a system of examinations for operators of such steam generating equipment above a certain pressure, or power, and fix a reasonable fee for such examinations and licenses: And to appropriate the sum of Three Thousand Dollars (\$3,000.00) to be expended in the organization of said board and in implementing and executing this Act: and to provide penalties for violations of the Act.

H. B. No. 422. AN ACT to aid in the development and promotion of the purebred cattle industry in Kentucky.

H. B. No. 460. AN ACT relating to the distribution of the common school equalization fund.

S. B. No. 201. AN ACT relating to implied warranties concerning the soundness or condition or suitability for use of certain articles of food or drink, and the service of process in actions based upon such warranties,

H. B. No. 335. AN ACT making provisions for the acquisition and installation of an electrical roll call system and appurtenances thereto in the House Chamber, providing for a Committee to contract for the purchase and installation thereof, and making an appropriation therefor.

H. Res. No. 64. A JOINT RESOLUTION authorizing George Jean Logan, an infant under twelve years of age, by his father and next friend, Chester Logan, to sue the Commonwealth of Kentucky and the Kentucky Highway Department, or either.

S. B. No. 177. AN ACT relating to schools established and maintained in conjunction with Houses of Reform as established in the Kentucky Revised Statutes, Chapter 198 and Children's Homes in counties containing a city of the first class as established by the Kentucky Revised Statutes, Chapter 201.

H. B. No. 455. AN ACT relating to a program of in-service teacher training, and making an appropriation.

H. B. No. 451. AN ACT relating to revenue and taxation.

S. B. No. 64. AN ACT relating to trade practices, amending subsection (1) of section 365.030 of the Kentucky Revised Statutes.

H. B. No. 457. AN ACT relating to the operation of vehicles upon city streets, amending section 92.320 of the Kentucky Revised Statutes.

H. B. No. 424. AN ACT relating to public assistance to needy aged, needy blind and needy children.

H. B. No. 443. AN ACT relating to certain corporations and associations subject to supervision of the Division (or Department) of Insurance, which provide services or benefits under policies or contracts of a nature similar to insurance policies, including hospital service corporations, burial associations, and medical service corporations.

H. Res. No. 54. A JOINT RESOLUTION authorizing and directing the payment of the sum of \$273.00 to Elmine Watts for expenses incurred by him as sheriff of Knott County.

H. B. No. 425. AN ACT relating to members of the city council in cities of the fourth class, amending Section 86.050 of the Kentucky Revised Statutes.

With the expression of opinion that same should pass.

Whereupon said bills and said resolutions were each and severally read at length for the first time and

Ordered placed in the Calendar.

Mr. Hanratty moved that the rules be suspended for the purpose of Reading the Calendar.

Said motion was agreed to by a majority of the members elected.

Thereupon, the House took up for consideration from the Calendar bills and resolutions of the following titles, viz:

H. B. No. 442. AN ACT relating to the distribution of the common school equalization fund.

H. B. No. 450. AN ACT relating to children.

H. B. No. 445. AN ACT relating to adoptions.

H. Res. No 69 JOINT RESOLUTION for the benefit of officers and employes of the Senate and the House of Representatives; and declaring an emergency

S. Res. No. 40. A JOINT RESOLUTION providing for payment of ministers of the churches of Frankfort, Kentucky, for performing the duties of chaplain for the General Assembly.

S. B. No. 16. AN ACT to amend Section 256 of the Constitution of this Commonwealth relating to the amendment of said Constitution.

S. B. No. 168. AN ACT proposing an amendment to the Constitution of the Commonwealth of Kentucky relating to the imposition of additional taxes for the purpose of enabling payment of a bonus to war veterans.

H. B. No. 263. AN ACT relating to the support of dependent wives, children and poor relatives within and without the state.

H. B. No. 414. AN ACT relating to a State Retirement System for employes including necessary appropriations for same.

H. B. No. 413. AN ACT relating to personnel in state service.

H. B. No. 431. AN ACT concerning the issuance of bonds for the benefit of Municipal Universities and the requirements thereof.

H. B. No. 433. AN ACT changing the classification of the City of Salyersville, in Magoffin County, and declaring an emergency.

H. B. No. 439. AN ACT changing the classification of the city of Vanceburg, in Lewis County.

S. B. No. 147. AN ACT relating to authorized investments of trust funds; providing for accounting for profits; providing for the ascertainment and apportionment of dividends among life tenants and remaindermen; amending Section 386.020 of the Kentucky Revised Statutes.

S. B. No. 151. AN ACT relating to the taxing of discretionary trusts and revocable trusts.

S. B. No. 158. AN ACT to amend Chapter 289 of the Kentucky Revised Statutes relating to Building and Loan Associations by adding thereto a new section to be known as Section 289.520 and providing for the insurance of shares of stock of Building and Loan Associations in the Federal Savings and Loan

Corporation or any other approved Savings and Loan Insurance Corporation with power to purchase stock in said Corporation.

S. B. No. 169. AN ACT relating to the examination of credit unions; examination fees.

S. B. No. 185. AN ACT relating to Common Trust Funds, established pursuant to K.R.S. 287.230, creating a new section to be known as K.R.S. 287.235 and providing that such Funds shall not be considered as a separate entity for tax purposes.

H. B. No. 315. AN ACT amending Section 140.250 of the Kentucky Revised Statutes.

H. B. No. 437. AN ACT relating to county attorneys and assistant county attorneys in counties having a population of 250,000 or more, amending Sections 69.280, 69.290, 69.300 and 69.310, of the Kentucky Revised Statutes.

S. B. No. 119. AN ACT relating to the replacement of glass in motor vehicles.

S. B. No. 170. AN ACT relating to judicial districts; creating an additional district and making changes in the apportionment of counties to the Tenth Judicial District in order to comply with the meaning and intent of the Constitution with respect to the division of the state into judicial districts; providing for continuation in office of the present circuit judges and Commonwealth's attorneys and creating the offices of circuit judge and Commonwealth's attorney for the new district established by this Act; and providing for the holding of court in each district affected by this Act.

S. B. No. 194. AN ACT relating to changes of name.

H. B. No. 234. AN ACT relating to elections, including provisions relating to registration and purgation.

H. B. No. 119. AN ACT to amend Section 289.290 K.R.S. relating to the amendment of Articles of Incorporation of Building and Loan Associations.

H. B. No. 260. AN ACT relating to the lease of natural gas rights.

H. Res. No. 49. A JOINT RESOLUTION appropriating from the General Fund of the Commonwealth of Kentucky the sum of \$49.50 to pay, Hager Watson, Circuit Court Clerk of Magoffin County, for claims due him for services rendered in the performance of his duties for the Commonwealth in administering oaths to and excusing 198 jurors that were summoned in the Magoffin Circuit Court to qualify for jury service.

H. B. No. 325. AN ACT protecting every individuals right to work and making unlawful the use of force or violence or threats thereof to prevent or attempt to prevent any person from engaging in any lawful vocation and providing penalties for the violation thereof; making it unlawful for any person acting in concert with other persons to assemble and prevent or attempt to prevent by force or violence any person from engaging in a lawful vocation and making it unlawful to encourage and aid such unlawful assemblage and providing penalties for the violation thereof; defining the term "Labor Dispute"; and providing a severance or saving clause.

H. B. No. 381. AN ACT relating to pawnbrokers.

S. B. No. 53. AN ACT repealing, amending, and re-enacting section 436.230 of Kentucky Revised Statutes by adding a new sub-section thereto defining gambling.

S. B. No. 73. AN ACT to prevent unfair cigarette sales in Kentucky; an Act to prevent unfair competition and unfair trade practices in the sale of cigarettes; to prohibit sales of cigarettes below cost; to protect and stabilize the collection of taxes on the sale of cigarettes and of revenues from the licensing of persons engaged in the sale of cigarettes; to confer powers and impose duties on the State Department of Revenue and on persons, as herein defined, engaged in the sale of cigarettes at wholesale or retail; and providing remedies and imposing penalties for violations thereof.

With Committee amendments thereto.

Said Committee amendments to said bill are as follows, viz:

Committee Amendment No. 1. Amend printed copy of S. B. No. 73, on page 10, after Section 13, by adding a new section to read as follows: "14. There is hereby appropriated from the General Fund to the Department of Revenue a sum of Fifty Thousand Dollars (\$50,000) for necessary expenses of administering this act until June 30, 1951, and a like sum for the fiscal year ending June 30, 1952.

Committee Amendment No. 2. Amend printed copy of S. B. No. 73 on page 9, Section 12, lines 10, 11 and 12, by striking the words: "Said department may, upon notice and after hearing, suspend or revoke any license issued under the provisions of the Cigarette Tax Law," and substituting in lieu thereof the following: "The department may, upon notice and after hearing, suspend or revoke for a period of one year any license issued under the provisions of Kentucky Revised Statutes 137.050."

Committee Amendment No. 3. Amend printed copy of S. B. No. 73 on page 3, Section 2, subsection d, lines 21 through 24, by striking the words: "'Retailer' shall mean and include any person who is engaged in this State in the business of selling cigarettes at retail, including any person selling cigarettes through vending machines," and substituting in lieu thereof: "'Retailer' means any person who sells to a consumer or to any person for any purpose other than resale."

Committee Amendment No. 4. Amend printed copy of House Bill No. 130 on page 9, Section 12, line 9, by striking the period following the word "act," and substituting in lieu thereof a comma and adding after the comma the following words: "but no cost survey shall be made by the State at the instance of any interested party or group without security being given for the cost thereof."

Committee Amendment No. 5. Amend printed copy of House Bill No. 130 on pages 2 and 3, Section 2, subsection c, lines 16 through 20, by striking the words: "'Wholesaler' shall mean and include any person who acquires cigarettes for purposes of sale to retailers or to other persons for purposes of re-

sale, and sells at least seventy-five percentum (75%) of all such cigarettes purchased by him to others for resale," and substituting in lieu thereof the following: "'Wholesaler' shall mean and include any person who acquires cigarettes for purposes of sale to retailers or to other persons for purposes of resale, and any person who is a 'wholesaler' within the meaning of the Cigarette Tax Law."

H. B. No. 72. AN ACT relating to judicial sales, amending Section 426.560 of the Kentucky Revised Statutes.

H. B. No. 432. AN ACT relating to revenue and taxation.

S. B. No. 143. AN ACT, relating to compensation and expenses of members of the Kentucky Board of Pharmacy and Secretary-Treasurer, amending Section 315.170 of the Kentucky Revised Statutes.

H. B. No. 345. AN ACT relating to reimbursement to school districts for school services provided for children of school age who are inmates of state institutions operated by a state agency; also making appropriations for the purposes of this Act.

H. B. No. 49. AN ACT empowering justices of the peace to serve on county road committees and providing for payment of a per diem therefor, amending subsection (3) of Section 67.110 of the Kentucky Revised Statutes.

S. B. No. 120. AN ACT establishing a Department of Traffic Engineering in cities of the first class.

H. B. No. 452. AN ACT relating to annual reports by insurance companies other than life; amending Sections 136.340 and 136.350 of the Kentucky Revised Statutes.

H. B. No. 282. AN ACT relating to Court rules governing the practice of law and the State Bar, amending Section 30.170 of the Kentucky Revised Statutes.

H. B. No. 427. AN ACT relating to prosecuting attorney pro tem in cities of the first class; vacation for prosecuting attorney.

S. B. No. 125. AN ACT relating to stenographers for County Judges.

H. Res. No. 53. A JOINT RESOLUTION authorizing John Clay Salyer, an infant, by his guardian, Richmond Salyer, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Ordered that said bills and resolutions to be read at length for the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bills and resolutions be dispensed with, and same to be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills and resolutions having been dispensed with, said bills and resolutions were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

Mr. Hanratty moved that the House do now adjourn to meet again at 1 o'clock, p.m., Thursday, March 9, 1950.

Said motion was agreed to.

And then the House adjourned.

THURSDAY, MARCH 9, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Fred T. Moffatt, pastor of the First Baptist Church, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	John A. Head	C. S. Nabb
Bill Adams	Harold G. Helm	Dr. C. E. Palmore
Edgar Arnett	William K. Henry	James H. Polsgrove
Sidney Baer	E. R. Hilton	Leonard W. Preston
Walter J. Bailey	Ray Holbrook	Hobart Rayburn
Clarence J. Barnum	Woodrow W. Hollan	W. R. Reasor
C. E. Baumgardner	Chester J. Holsclaw	Carl J. Ruh
Leonard T. Bean	W. M. Horn	Amos Runyan
John D. Beatty	Richard R. Hought	Dr. Roy Sanders
Fred Beshear	Durham W. Howard	LeRoy Saylor
R. O. Blevins	Maurice G. Howard	Roy Searcy
L. E. Bradley	Robert N. Hubbard	Paul E. Shannon
Edward O. Bridgers	Silas Jacobs	Gus Sheehan, Jr.
Thomas L. Britton	Paul S. Jonas	Jesse H. Shelton
Charles J. Bronston	Barkley Jones	Forest Smith
J. D. Buckman, Jr.	William Jones	Joseph T. Snapp
Mrs. M. E. Burnett	James W. Lambert	John M. Spaulding
Charles W. Burnley	Jesse H. Lawrence	J. Claude Stacy
Alex Calvert	Mrs. J. T. Linton	Roy Steers
Stanley Carter	Homer E. Losey	Raymond D. Stigall
Paul Combs	A. L. (Chick) Love	Mrs. Thelma Stovall
R. Josh Cosby	Harry K. Lowman	W. R. Stringer
B. H. Crider	True Mackey	Egbert V. Taylor
Owen Deering	Damon Majors	M. G. Thompson
G. I. Drury	John Martin	Rev. T. H. Tinsley
Thomas R. Duncan	William T. Marshall	Ralph N. Walter
R. C. Estep, Sr.	G. Lee McClain	Fred M. Warns
Mitchell S. Fannin	Jack McPherron	Harry Lee Waterfield
Henry C. Hale	Alton Mitchell	Lyle H. Webb
C. A. Hammons	Archie R. Moore	Morris Weintraub
James P. Hanratty	Emmett G. Moore	Charles W. Wirsch
George F. Harris	Walter R. Moorman	Adron Doran,
Paul E. Hayes	Fred H. Morgan	Speaker

Mr. Baer moved that leaves of absence be granted to Messrs. Shaw and Williamson.

Said motion was agreed to.

Mr. Hanratty moved that the reading of the Journal of the

proceedings of Wednesday, March 8, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Hanratty moved that the rules be suspended and the House do now proceed to the Orders of the Day.

Said motion was agreed to by a majority of the members elected.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 413. AN ACT relating to personnel in state service.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act, unless the context otherwise requires, the terms "agency", "employee", "position", and "state service" have the meaning given them by KRS 12.010.

Sec. 2. There is established within the Division of Personnel of the Department of Finance a merit personnel system, which shall embrace such state agencies, or positions or classes of positions within state agencies, as are brought within the system by virtue of or pursuant to the provisions of Section 7 of this Act.

Sec. 3. Except as inconsistent with the provisions of this Act, all provisions of KRS 42.110 to 42.150 shall be applicable to the state agencies, positions or classes of positions embraced within the merit personnel system.

Sec. 4. The merit personnel system shall be administered by the Director of the Division of Personnel, under the direction

of the Commissioner of Finance, and he shall exercise all of the functions of the system except as otherwise delegated in this Act.

Sec. 5. (1) Within the structure of the merit personnel system, and attached to the Division of Personnel for that purpose, there shall be a Merit System Board, composed of five citizens of Kentucky, in sympathy with the principles of merit systems in public service, to be appointed by the Governor. The members shall be appointed for terms of four years, and until their successors are appointed and have qualified, except that of the first members appointed one shall be appointed for a term of one year, one for a term of two years, one for a term of three years, and two for a term of four years. Vacancies occurring prior to the expiration of a term shall be filled for the unexpired term by appointment by the Governor.

(2) No member of the Merit System Board shall hold any other state office or be a state employee, or be an officer of any political party or an officer of any partisan political club or organization, or shall have been a candidate for any elective public office within one year prior to appointment. Appointments shall be made without regard for any political considerations.

(3) The Director of the Division of Personnel shall be ex-officio secretary of the board, but shall not be a member.

(4) Each member of the board shall receive a per diem of fifteen dollars and reimbursement of actual and necessary travel and other expenses when attending meetings of the board and attending to the business of the board.

(5) The board may adopt rules governing its meetings and procedures, and shall elect its own chairman for a term of one year. The board may appoint referees for the purpose of conducting hearings and for other purposes as required by the board.

Sec. 6. The Merit System Board shall hear and decide appeals under the provisions of Section 10 of this Act, and shall exercise such other functions as may be delegated to it by executive order of the Governor pursuant to Section 11 of this Act.

Sec. 7. (1) Subject to the provisions of subsection (3) of this section, there shall be embraced within the merit personnel system all positions or classes of positions which, on January 1, 1950, were covered by existing merit systems in the Department of Economic Security, Department of Health, Department of Welfare and Department of Kentucky State Police.

(2) As a means of providing for an orderly development of the merit personnel system and to secure to the state the benefits of merit coverage for the classifications or positions of employes determined by administrative discretion to be most important or necessary, authority to extend the merit personnel system is hereby granted to the Governor. Subject to the provisions of subsection (3) of this section, any state agency or any position or class of positions in any state agency may be brought within (but not removed from) the merit personnel system by executive order of the Governor, subject, in the instance of the Department of State, the Department of Law, the Department of the Treasury, Auditor of Public Accounts, the Department of Agriculture, Labor and Statistics, the Department of Education, the employes of the Clerk of the Court of Appeals, the employes of the Court of Appeals, and the employes of the Railroad Commission, to the approval of the head of the department concerned.

(3) The merit personnel system shall not embrace positions filled by popular election, positions which by law are filled by appointment by the Governor, positions involving seasonal or part-time employment, or positions customarily compensated on the basis of an hourly, daily or weekly wage rather than a monthly or annual salary. Subject to the provisions of Section 8 of this Act, the merit personnel system shall not embrace the classification of Division Director of any department or State Highway Engineer or District Engineer of the Department of Highways, but any person appointed as a Division Director or State Highway Engineer or District Engineer of the Department of Highways who has previously held tenure status in another position or who has served or qualified or qualifies to serve in a position entitling him to tenure status shall hold tenure status in such position, and shall automatically revert to such position if removed as a Division Director or State Highway Engineer or District Engineer.

Sec. 8. (1) Any employe holding a position in an existing merit system (as defined in Sub-section (1) of Section 7 of this Act) on the effective date of this act shall be transferred to the merit personnel system without any change in type of appointment, rights or privileges held in such existing merit system.

(2) Any employe holding a position that is embraced within the merit personnel system and who has held such position for one year immediately prior to the date such position was brought within the system as fixed by executive order of the Governor for positions brought in under sub-section (2) of Section 7, shall be deemed to have tenure status. Any other employe holding a position at the time it is embraced within the merit personnel system, excluding employes holding provisional, emergency or temporary appointments, shall be deemed to be in probationary status and shall remain in such status for such period of time as may be fixed by the Director of the Division of Personnel pursuant to the provisions of Section 9 of this Act, except that such period, in the case of an employe who has held the position for more than six months prior to the date the position became embraced in the merit personnel system, shall not extend more than three months beyond that date.

Sec. 9. (1) Appointments to positions embraced within the merit personnel system, other than that of an officer of the Department of Kentucky State Police, shall be made in accordance with the provisions of KRS 42.110 to 42.150. Appointments in the case of officers of the Department of Kentucky State Police shall be made in accordance with KRS 16.010 through 16.180. Any employe appointed to such a position on other than a provisional, emergency or temporary basis, after such position has been brought within the system, shall occupy probationary status for such period, not to exceed twelve months from the date of his appointment, as is fixed by regulations applicable to the position prescribed by the Director of the Division of Personnel; provided, however, that an officer of the Department of Kentucky State Police shall occupy probationary status in accordance with KRS 16.140 (11). The director shall fix probationary periods, by regulations, for each class of position, on recommendation of the appointing authorities. At any time

during the probationary period, the appointing authority may remove an employe having probationary status, if, in the opinion of the appointing authority, the work of the employe indicates that the employe is unable or unwilling to perform his duties satisfactorily or that his habits and dependability do not merit his continuance in service. Upon the removal, the appointing authority shall forthwith report to the Director of the Division of Personnel and to the employe removed, his action and the reason therefor.

(2) The Director of the Division of Personnel may remove an employe during his probationary period if he finds, after notice and an opportunity for hearing, that the employe was appointed as a result of fraud or error.

(3) Ten days prior to the expiration of an employe's probationary period, the appointing authority shall notify the Director of the Division of Personnel in writing, with a copy to the employe, whether the services of the employe have been satisfactory and whether he will continue the employe in his position. Persons so continued shall have tenure status.

(4) If an employe is removed from his position during or at the end of his probationary period, and the Director of the Division of Personnel determines that he is suitable for appointment to another position, his name may be restored to the employment list for the position or class of position in question. If any such employe was an employe with tenure status in another position in the merit personnel system immediately prior to his appointment to the position from which he has been removed, his name shall be placed on a reemployment list for the former position or class of position.

Sec. 10. (1) Any employe having tenure status in a position embraced in the merit personnel system, who is dismissed or demoted, or who is suspended for more than thirty days in any one year, may, within thirty days after such dismissal, demotion or suspension, appeal to the Merit System Board for review thereof. Upon such review, both the appealing employe and the appointing authority whose action is reviewed shall have the right to be heard and to present evidentiary facts. On the hear-

ing of such appeals, the technical rules of evidence shall not apply.

(2) If the Merit System Board finds that the action taken by the appointing authority was not justified, it shall submit its finding to him and recommend reinstatement of the employee. On failure of the appointing authority to reinstate the employee within thirty days after receipt of the recommendation, or upon an express refusal to reinstate him, the Merit System Board shall direct the Director of the Division of Personnel to place the employee's name at the top of an appropriate re-employment list for the same class of position, for future appointment by some other appointing authority.

(3) Nothing in this section shall apply to employees covered by the provisions of subsection (1) of KRS 196.390, or officers of the Department of State Police covered by the provisions of KRS 16.140, 16.150, 16.160 and 16.170, and the disciplinary procedure and right of appeal set forth in those sections are hereby retained.

Sec. 11. When necessary in order to comply with Federal laws or regulations placing conditions or restrictions upon the granting or allotment of federal funds to a state agency, the Director of the Division of Personnel, with the approval of the Commissioner of Finance, may prescribe separate or supplemental rules and regulations for a particular agency or position or class of positions within an agency, governing appointment procedures, probationary periods, provisional or temporary appointments, exempt positions, promotions, dismissals, lay-offs, and other matters related to federal standards. For the same purpose, the Governor, by executive order, may transfer to the Merit System Board any powers conferred by this Act upon the Director of the Division of Personnel.

Sec. 12. Where an employee having tenure status in a position embraced in the merit personnel system is laid off by reason of shortage of work or funds, or the abolition of a position or other material change in the duties or organization of an agency, his name shall be placed on an appropriate reemployment list for the position or class of position which he held.

Sec. 13. The Merit System Board, each member of the Board, referees appointed by the Board, and the Director of the Division of Personnel shall each have power to administer oaths, subpoena witnesses and compel the production of books and papers pertinent to any investigation or hearing authorized by this Act. If any person fails to appear in response to such a subpoena or fails or refuses to testify or to produce any books or papers pertinent to such investigation or hearing, the Franklin Circuit Court, on application, may compel obedience by proceedings for contempt as in case of disobedience of a subpoena issued by the circuit court or a refusal to testify therein. The fees of witnesses for attendance and travel shall be the same as for witnesses in circuit court and shall be paid from appropriations available for the expenses of operation of the merit personnel system.

Sec. 14. Funds appropriated to the Department of Finance by the General Assembly for the fiscal year 1950-51 and the fiscal year 1951-52 for the administration of the Division of Personnel shall be available for the administration of this act. Funds appropriated by the General Assembly for the 1950-51 and 1951-52 fiscal years to any state department for the administration of a separate merit system are hereby transferred to the Department of Finance for use by the Division of Personnel in the administration of this act. From and after July 1, 1950 all agencies of the state government with employes covered within the merit personnel system shall contribute their prorata share of the cost of the administration of this act. Regulations for the transfer of such funds shall be made by the Commissioner of Finance, with the approval of the Governor.

Sec. 15. Nothing in this act shall be construed to affect the provisions of Chapter 150 of the Kentucky Revised Statutes, relating to the Division of Game and Fish.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Sidney Baer	George F. Harris	Fred H. Morgan
Walter J. Bailey	Paul E. Hayes	C. S. Nabb
Clarence J. Barnum	John A. Head	W. R. Reasor
C. E. Baumgardner	William K. Henry	Carl J. Ruh
Fred Beshear	E. R. Hilton	Amos Runyan
L. E. Bradley	Chester J. Holsclaw	Dr. Roy Sanders
Edward O. Bridgers	W. M. Horn	Paul E. Shanonn
Charles J. Bronston	Richard R. Houpt	Gus Sheehan, Jr.
J. D. Buckman, Jr.	Robert N. Hubbard	Jesse H. Shelton
Mrs. M. E. Burnett	Paul S. Jonas	Forest Smith
Charles W. Burnley	Barkley Jones	Joseph T. Snapp
Alex Calvert	William Jones	John M. Spaulding
Stanley Carter	Mrs. J. T. Linton	Mrs. Thelma Stovall
Paul Combs	A. L. (Chick) Love	W. R. Stringer
R. Josh Cosby	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Rev. T. H. Tinsley
G. I. Drury	William T. Marshall	Ralph N. Walter
Thomas R. Duncan	Jack McPherron	Fred M. Warns
Mitchell S. Fannin	Archie R. Moore	Morris Weintraub
James P. Hanratty	Walter R. Moorman	

Those who voted in the negative were—

Bill Adams	Woodrow W. Hollan	Dr. C. E. Palmore
Leonard T. Bean	Durham W. Howard	Leonard W. Preston
John D. Beatty	Maurice G. Howard	Hobart Rayburn
R. O. Blevins	Silas Jacobs	LeRoy Saylor
Thomas L. Britton	James W. Lambert	Roy Steers
B. H. Crider	Jesse H. Lawrence	Raymond D. Stigall
R. C. Esteppe, Sr.	Homer E. Losey	Egbert V. Taylor
Henry C. Hale	John Martin	Harry Lee Waterfield
C. A. Hammons	G. Lee McClain	Lyle H. Webb
Harold G. Helm	Alton Mitchell	Charles W. Wirsch
Ray Holbrook	Emmett G. Moore	—32

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills which originated in that body of the following titles, viz:

S. B. No. 63. AN ACT providing mileage for sheriffs in the various counties of the Commonwealth of Kentucky for the mileage traveled in the service of notices, subpoenas and summons.

Said bills is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That beginning July 1, 1950 each sheriff or deputy acting under each sheriff in each county executing a notice, subpoenas or summons shall be paid his expenses in the service of such papers through the payment of miles traveled by such sheriff or deputy sheriff at the rate of five-cents per mile.

Section 2. The sheriff shall be paid the mileage by the litigants in any criminal or civil action at the time of the delivery of such notice, subpoena or summons.

Section 3. If such litigant is financially unable to make such payments he may take the oath in "Forma Pauperia".

S. B. No. 129. AN ACT relating to water districts and authorizing same to acquire and develop other public projects under the terms of K.R.S. 58.010 to 58.140 and repealing K.R.S. 74.120.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Water districts organized under K.R.S. 74.010 may acquire any "public projects" as said term is defined in K.R.S. 58.010.

2. K.R.S. 74.120 is hereby repealed.

3. Water districts may, in addition to all other methods provided by law, acquire and develop "public projects" through the issuance of Revenue Bonds and when so doing all of the provisions of K.R.S. 58.010 to 58.140 shall apply to said water districts.

S. B. No. 155. AN ACT relating to the recording and transcribing of court proceedings.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A mechanical recording device may be used as an aid to reporters in recording any proceedings in a circuit court when the presiding judge deems it necessary. Any original or duplicate transcript made of the proceedings as recorded shall be

made by the regular reporter, who shall receive the same fees therefor as are provided for other original or duplicate proceedings.

S. B. No. 159. AN ACT relating to the fees of sheriffs.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A sheriff arresting any person guilty of violating KRS 244.170 shall be paid a fee of twenty-five dollars for such service in addition to any other fee to which he is entitled, to be taxed as cost and paid by the party convicted.

S. B. No. 213. AN ACT relating to the election and terms of members of boards of education.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 160.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) All elections for members of boards of education shall be in even numbered years,, for a term of four years, except in independent districts embracing a city of the first class, members of the board of education elected in 1950 and thereafter shall be elected for terms of two years. Except as provided in subsection (3) of this section, the elections shall be held at the regular November election. In all county districts and in those independent districts embracing cities of the second or third class, two members shall be elected in 1942 and three in 1944. In independent districts embracing a city of the first class, three members shall be elected in 1950 and five in 1952. In all other school districts, three members shall be elected in 1942 and two in 1944.

(2) In each even numbered year thereafter, there shall be held an election in every county and independent district to fill the membership of the boards of education for the terms that will expire on the first Monday in January following, and the regularly elected members shall hold office for four years, except in independent districts embracing a city of the first class members elected in 1950 and thereafter shall hold office for two years, and until their successors are elected and have qualified.

(3) Any independent school district embracing a city of the fifth class may, at the discretion of its board of education, hold its election of board members at its public school building on the first Saturday in May. The election shall be held by three officers appointed by the board of education and the expenses of the election shall be paid from the treasury of the school district. In all other respects the provisions of this chapter relating to holding elections for board members shall apply.

S. B. No. 218. AN ACT relating to the creation and establishment of public road districts in counties containing cities of the first class and in cities of the sixth class located in counties containing cities of the first class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 184.010 of the Kentucky Revised Statutes is amended to read as follows:

Public road districts may be established in counties containing cities of the first class for the purpose of providing the general public and persons residing upon or owning property adjacent to such roads with all-weather roads, appropriate drainage of said roads and sidewalks on either or both sides of said roads, with reasonable maintenance during the existence of the road district.

Section 2. Section 184.020 of the Kentucky Revised Statutes is amended to read as follows:

A public road district may be established in the following manner:

(a) Any person or group of persons owning property abutting upon any public road (which is neither a County road nor a State road) in cities of the sixth class located in counties containing cities of the first class and in counties outside of and containing cities of the first class, may sponsor the creation of such a road district. The sponsors shall first prepare or have prepared for them a map of that section of such public road which they desire to have improved. Such map shall show the boundary lines and terminal points of the road desired to be improved and shall set forth on such map the names of the owners of all property and the number of linear feet owned by them abutting upon such road the location and size of drainage ditches and sidewalks. The sponsors of said road district shall also have estimated for them by an engineer, who must be a private engineer licensed by the Commonwealth of Kentucky, pursuant to Chapter 93 of the Acts of the General Assembly for the year 1928, the approximate cost of constructing the improvements desired and reasonable maintenance for the duration of the road district, together with a statement of the approximate cost which shall be borne by each owner of property abutting on the road, determined by the number of linear feet of property owned by each abutting property holder. Said sponsors of said road district shall also prepare a petition and shall attach to said petition the aforesaid maps and statements of cost.

Section 3. Section 184.070 of the Kentucky Revised Statutes is amended to read as follows:

The board of directors, which is hereby declared to be the governing body of the road district, shall keep a record of its proceedings, shall adopt and have a seal, and shall exercise all powers and manage and control all the affairs and property of the district. Said board of directors shall elect one of its members chairman, one secretary and one treasurer. The board may

employ an attorney and an engineer, who shall serve in such capacities during the pleasure of the board and for such reasonable compensation as may be fixed by the board and approved by order of the County Court. Each member of the board may receive a salary of not in excess of \$200.00 per annum for his services, which salary shall be fixed at the first meeting of said board, and approved of by order of the County Court, and thereafter may be decreased as the duties of the members decrease. The board may adopt such rules and regulations as are necessary for its proper functioning. The chairman, secretary and treasurer of the district shall perform such duties as are usually performed by such officers. The County Court by method similar to that for approving settlements of fiduciaries shall approve the accounts and acts of all directors upon death, resignation or at expiration of their term of office, which County Court approval shall relieve the surety upon the bond of such director, the cost of which shall be a charge against the district. When the affairs of the district have been completed, the directors and officers shall by verified petition ask the County Court for a dissolution of the district, which petition shall include an accounting of all monies received and disbursed by the district and shall be referred to a County Court Commissioner as in fiduciary settlements and when approved by the County Court shall release said officers, directors and their sureties, the cost of which shall be a charge against the district.

Section 4. Section 184.120 of the Kentucky Revised Statutes is amended to read as follows:

When a bid has been accepted and the cost of constructing the road improvement has thus been determined, the board of directors shall prepare a statement of all costs of constructing the project (including the cost of organizing the district, preliminary expenses, fees of directors, engineer and attorney, and a sum sufficient to provide for any unforeseen contingencies up to and including the completion of the project, together with a fund adequate to provide for continuing costs of the district which may include reasonable maintenance of the roads, drainage, ditches and sidewalks for a period of ten years) and shall thereupon determine the front-foot cost of constructing the road

improvement. The board of directors shall then assess against each owner of the property abutting upon the road improved within the limits of the improvement that proportion of the cost of constructing the entire improvement which his front footage abutting upon the road bears to the total front footage of all properties abutting upon the road within the area to be improved. In determining the total front footage, intersections shall be included.

S. B. No. 219. AN ACT to amend and reenact Section 616 of the Civil Code of Practice, relating to security for costs by non-residents and corporations, excepting banks and building and loan associations and federal savings and loan associations.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 616 of the Civil Code of Practice is amended to read as follows:

A plaintiff who is a non-resident of this State, or is a corporation other than a bank or building and loan association created by the laws of this State or a Federal savings and loan association chartered under Act of the Congress of the United States, before commencing an action, shall file in the clerk's office a bond of sufficient surety, to be approved by the clerk, for the payment of all costs which may accrue in the action in the court in which it is brought, or in any other to which it may be carried either to the defendant or to the officers of the courts.

S. B. No. 226. AN ACT relating to the establishment of a retirement plan for noninstructional school employes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The board of education of any independent school district embracing a city of the first class is hereby authorized and empowered to establish a retirement plan applicable to regular

or full-time noninstructional employes when a majority of such employes shall file with the board a petition requesting the establishment of a retirement plan. The establishment of the plan may be effected by a resolution of the board spread upon its minutes reciting the filing of the petition and declaring the board's purpose thereby to establish and thereafter administer and operate such plan of retirement.

S. B. No. 229. AN ACT relating to fees allowed for the taking of depositions and the performing of other services, amending section 64.290 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.290 of the Kentucky Revised Statutes is amended to read as follows:

Examiners or other officers authorized to take depositions, may collect, for the following services, the following fees:

Taking the deposition of a witness where not more than one deposition is taken for the same party on the same day, and certifying the same -----\$2.00

Taking a deposition, where more than one is taken for the same party on the same day, and certifying same, each----\$1.00

The fees of examiners for taking and certifying depositions shall not exceed five dollars per day against any one party.

Issuing a subpoena, or any other writ or certificate, or for any other service, the same fee that is allowed to circuit clerks for similar writs, certificates or services.

S. B. No. 243. AN ACT relating to the times and places of holding circuit courts in the second circuit court district, amending the introductory clause and subsection (2) of section 23.050 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The introductory clause and subsection (2) of Section 23.050 of the Kentucky Revised Statutes are amended to read as follows:

The regular term of each court shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed.

(2) Second District. McCracken County, at Paducah, on the second Monday in January, first Monday in February, first Monday in March and second Monday in April, eighteen juridical days each; on the first Monday in May, twenty-four juridical days; on the first Monday in June, second Monday in September, first Monday in October and second Monday in November, eighteen juridical days each; on the first Monday in December, twelve juridical days.

“Marshall County, at Benton, on the fourth Monday in March, twelve juridical days; on the fourth Monday in June, eighteen juridical days; on the fourth Monday in October, twelve juridical days.

Sec. 2. This Act shall not become effective until September 1, 1950.

S. B. No. 175. AN ACT relating to Public Printing.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 57.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) The business of printing and binding, and of furnishing printing paper, stationery and supplies for the state shall be divided into three classes as follows:

(a) First Class: The printing of all bills for the General Assembly, together with such matters as are ordered by either

or both houses to be printed in bill form; the printing and binding of the journals of the two houses; the printing and binding of the volumes of public documents, and of the general and local laws and joint resolutions; the printing and binding of all reports, documents and other matters bound in book or pamphlet form; all printing for the Department of Education; and all miscellaneous printing and binding necessary for the several departments and not otherwise provided for in this chapter.

(b) Second Class: Lithographic printing and engraving and embossing.

(c) Third Class: The furnishing of all printing paper, stationery and such other supplies for the use of the state as are provided for by this chapter.

(2) The work in the first class may be let in one or more contracts, subject to determination by the Department of Finance. The work in each of the second and third classes shall be let in one contract embracing all of the work in that class.

(3) The same person may become the contractor for two or more classes, if he is the lowest responsible bidder therefor.

Section 2. Subsection (2) of KRS 57.040 is amended to read as follows:

(2) No contract shall be let to a member of the General Assembly, or to any person holding a state office, or to any person who is not a citizen of Kentucky or to any person who does not covenant to perform all the work within the state, except that matter in the second or third class may be done or purchased out of the state. A person who is ineligible to be awarded any state printing contract shall not be interested in any way in that contract.

Section 3. Subsection (2) of KRS 57.060 is amended to read as follows:

(2) Paper, stationery and supplies necessary for state printing and binding of the second class and materials for half binding, shall be furnished and paid for by the contractor.

Section 4. Section 57.070 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Finance shall, between the first day of August, 1950, and the first day of November, 1950, and within the same period every fourth year thereafter give notice, which notice shall appear once during each week for five consecutive weeks in at least one newspaper of general circulation in each of the cities of Frankfort, Louisville, Lexington, Ashland and Paducah, Kentucky, and Cincinnati, Ohio, that sealed proposals will be received at the office of the Commissioner of Finance, for the first two classes of public printing and binding in separate contracts for the term of four years beginning with the first Monday in January, next ensuing, at a certain rate not to exceed the rates specified by law.

(2) The Department of Finance shall contract for the purchase of paper, stationery and supplies of the third class to meet all needs therefor for any period not less than three months nor more than one year, and shall so state in advertising for bids.

S. B. No. 236. AN ACT repealing and re-enacting Section 342.020 of the Kentucky Revised Statutes with reference to medical treatment at the expense of the employer.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That K.R.S. 342.020 is hereby repealed and re-enacted so that same as re-enacted shall read as follows:

Medical treatment at expense of employer. In addition to all other compensation provided in this chapter, the employer shall furnish for the cure and relief from the effects of an injury, such medical, surgical and hospital treatment, including nursing, medical and surgical supplies and appliances, as may reasonably be required at the time of the injury and thereafter during disability, but not exceeding a total expense to the employer of more than twenty-five hundred dollars. If the employer fails to furnish such treatment reasonably, he shall be liable for the reasonable expense, within the limits of this section,

incurred by or on behalf of the employee in providing such treatments. In an emergency, the employee may call in any available physician or surgeon to administer any first aid reasonably necessary at the expense of the employer within the limits of this section. The board, in its discretion, may apportion payments to be made under this section between hospitals and physicians in cases where their aggregate fees and charges would exceed the maximum for which the employer is liable.

Ordered that said bills be printed and referred to the Committee on Rules.

The message which was received from the Senate also announced that they adopted a resolution which originated in that body of the following title, viz:

S. Res. No. 58. A CONCURRENT RESOLUTION memorializing the Congress of the United States to take immediate steps to effectuate adequate flood control of Clark's River.

Said resolution is as follows, viz:

WHEREAS, Clark's River flows through the county of Stewart in Tennessee and the counties of Calloway, Marshall, Graves and McCracken in Kentucky; and

WHEREAS, such territory of approximately four hundred thousand acres is constantly threatened in the flooding, said river having flooded seventeen times in the year of 1949;

WHEREAS, such condition renders insecure the lives of thousands of persons by the creation of a health and agricultural hazard endangering their health and destroying three of every four crops sown by them; and

WHEREAS, said Clark's River by Act of Congress is to be navigable for a distance of forty miles from its mouth, but the unnavigable condition thereof materially contributes to the flood hazard of said river;

NOW THEREFORE

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Sec. 1. That the Congress of the United States is memorialized to take immediate steps to effectuate adequate flood control of Clark's River.

Sec. 2. The Clerk of the Senate is directed to send a copy of this resolution to each United States Senator and Representative in Congress from Kentucky.

Ordered that said resolution be laid on the Clerk's desk.

The message which was received from the Senate also announced that they had passed bills which originated in this body of the following titles, viz:

H. B. No. 23. AN ACT relating to the maintenance of streets or roads in subdivisions outside of the limits of cities in counties containing a city of the third class.

H. B. No. 131. AN ACT relating to bonds of state officers and employees.

H. B. No. 157. AN ACT transferring the balance of funds of toll-free bridge at Rockport to Sinking Fund of the Central Toll Bridge, Project No. 17.

H. B. No. 158. AN ACT relating to the disposal of cancelled checks in the hands of the Director of Records of the Department of Highways.

H. B. No. 202. AN ACT relating to the duties and functions of the deputy commissioner of welfare.

H. B. No. 217. AN ACT extending the jurisdiction of the Board of Claims and amending KRS 176.290, 176.310, 176.320, 176.330, 176.340, and 176.380.

H. B. No. 222. AN ACT relating to proceedings if an arrest be made without a warrant.

H. B. No. 223. AN ACT providing signals to be used by the operators of vehicles in indicating intention to stop or turn.

H. B. No. 270. AN ACT relating to revenue and taxation.

H. B. No. 271. AN ACT to establish a Water Pollution Control Commission and to control, prevent and abate pollution of the streams, lakes, ponds, and other surface or underground waters of the Commonwealth.

Ordered that said bills be delivered to the Enrolling Clerk of this House.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 414. AN ACT relating to a State Retirement System for employes including necessary appropriations for same.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. DEFINITIONS. As used in this Act, the following words and phrases, unless a different meaning is plainly required by the context, shall have the following meaning:

(a) "Retirement System" means the "State Employee Retirement System", created by this Act.

(b) "Board" means the "State Employee Retirement Board", as provided in this Act.

(c) "State" means the Commonwealth of Kentucky.

(d "Employee" means any person who is or was regularly employed on a salary basis in the service of, and whose compen-

sation is or was payable by any Department of the State, but does not include any person performing services on an hourly wage, contractual, fixed fee, temporary, or percentage basis.

(e) "Employer" means any Department of the Commonwealth of Kentucky.

(f) "Member" means any person included in the membership of the Retirement System.

(g) "Current Service" means service as an employe after the date the employe becomes a member of the Retirement System.

(h) "Prior Service" means service as an employe prior to his acquisition of membership, but not including any probationary service. Provided further, that the period of time any employe was out of active service by reason of being transferred to employment with the United States Employment Service during the national emergency shall, for the purpose of this Act, be considered as service, if such employe returned to employment of a Department by re-transfer from the United States Employment Service.

(i) "Service" means service as an employe without regard to the date of such service.

(j) "Beneficiary" means any person entitled to receive a retirement allowance or any benefit provided by this Act.

(k) "Employe's Accumulated Contributions" means the sum of all amounts deducted from the salary of, or paid by a member, and credited to his account, together with regular interest on such amounts.

(l) "Average Compensation" means the average annual earned compensation of a member during the five year period of his service in which he received his highest compensation.

(m) "Retirement Allowance" means the payments made under this Act to retired or disabled members.

(n) "Department" means a Department or other agency of the Commonwealth of Kentucky, any employes of which have acquired tenure status,

(o) "Tenure Status" means the status of an employe holding a position embraced within the Merit Personnel System, who has held such position for the required probationary period.

SECTION 2. SYSTEM ESTABLISHED. There is hereby created and established, as of October 1, 1950, a State Employee Retirement System, which shall provide retirement and disability benefits to State employes, their dependents and beneficiaries, in accordance with this Act and pursuant to regulations adopted hereunder.

SECTION 3. BOARD.

(a) The Retirement System shall be administered by the State Employee Retirement Board, which shall organize and begin to function at Frankfort on July 1, 1950, and shall meet as often thereafter in Frankfort as may be determined by the Board. The Board shall consist of the State Treasurer, the Commissioner of Finance, and the Attorney General, who shall be ex officio members, three members of the Retirement System, and one citizen-member not employed by the Commonwealth, all of whom shall be appointed in the first instance by the Governor, to serve one for one, one for two, one for three, and one for four year terms, beginning as of July 1, 1950, respectively. Thereafter, as terms expire, the members of the Retirement System shall elect the employe-members of said Board, each Board member to be elected for a four year term by a majority of the members voting in elections to be held according to regulations to be prescribed by the Board. Not more than one employe-member shall be an employe of any one department. The citizen-member shall be appointed by the Governor. All vacancies on the Board shall be filled by appointment for unexpired terms by the Governor. All members shall take the Constitutional oath before entering upon the duties of their office.

(b) Members of the Board shall receive no salary as such, but shall be reimbursed for the actual expenses incurred by them in the performance of their duties.

(c) The Board shall elect a chairman and vice-chairman; shall appoint an executive secretary, who shall be the secretary and administrative officer of the Board; shall contract with or

employ actuaries, investment counselors, physicians, and such other employes as it deems necessary, and fix their compensation; shall require all employes handling money or securities to execute bond for the faithful performance of their duties, paying the cost of premiums of such bonds from the expense fund under the control of said Board; shall establish a system of accounting and shall do all things, take all actions, and make all rules and regulations, not inconsistent with the provisions of this Act, that it deems necessary or proper in order to implement the establishment of the State Employe Retirement System and provide for its continued operation.

(d) As of June 30, the end of each fiscal year, the Board shall prepare and publish in pamphlet form a financial report which shall include a balance sheet and an operating statement. Its proceedings and records shall be opened to inspection by the public.

SECTION 4. ACTUARIAL EVALUATION. As soon as practicable after its organization, the Board shall cause an investigation to be made of the mortality, service, and salary experience of State employes on the basis of which it shall adopt such mortality and service tables as are necessary for the administration and continuance of the Retirement System. Separate tables may be adopted, based upon sex, age, classification of position, or other generally accepted actuarial factors. On the basis of such tables, the Board shall prescribe the rates of contributions, and shall determine the retirement allowance.

At least once in each five year period, after the establishment of the Retirement System, the Board shall cause an actuarial investigation to be made of the mortality, service, and salary experience of members of the Retirement System, and an evaluation of the funds under its control. Pursuant to such investigation and evaluation, the Board shall, from time to time, revise the mortality and service tables and the rates of contribution prescribed pursuant thereto; provided, however, that no change in the rates of contributions to be made by the employes shall be made more than once in each two year period.

SECTION 5. MEMBERSHIP.

(a) The following employes, after they shall have acquired tenure status, shall be eligible for membership in the Retirement System:

1. Persons who become employes or re-enter service after the effective date of this Act;
2. Persons who are employes on the effective date of this Act;
3. The full-time staff of the Retirement System itself.

(b) Any person who enters the employment of the Commonwealth after the effective date of this Act, and who then or thereafter secures tenure status, shall become a member of the Retirement System, as a condition of his employment or re-employment.

(c) Any person in the employ of the Commonwealth or on leave of absence from such employ on the effective date of this Act, who acquires tenure status on such date or thereafter, may, within thirty days after he acquires such status, file with the Board on forms prescribed by it, a notice of his election not to be included in the membership of the Retirement System, and the Board shall exclude him from membership. Any employe so excluded may thereafter become a member by making application to the Board, but no such employe shall receive any prior service credit.

(d) The membership of an employe in the Retirement System shall cease upon the withdrawal of the member's accumulated contributions, but no such withdrawal shall be made except by reason of death or termination of employment in tenure status; provided, however, that if an employe does not withdraw his accumulated contributions upon termination of such employment, he may continue his membership without contribution by employe or employer, for a period which shall not exceed five years; if within that period he re-enters employment with tenure status, he shall be eligible for reinstatement in the Retirement System with all his previous credit.

SECTION 6. PRIOR SERVICE. Any employe who, upon the acquisition of tenure status, has served for more than five years in the employ of the Commonwealth, shall, upon becoming a member of the Retirement System, be granted prior service credit. The number of years prior service shall be computed by deducting five years from the total number of years of full-time employment by the Commonwealth, but in no case shall any member be entitled to more than twenty-five years prior service credit. Fractions less than one-half year shall be disregarded, and no contribution shall be required of any member for prior service credit. The Board shall make a study to determine what factor should be employed in computing the retirement allowance for prior service, and shall report its findings to the Legislative Research Commission by November 1, 1951. The Legislative Research Commission shall recommend a factor for adoption by the regular session of the General Assembly in 1952.

SECTION 7. EMPLOYE CONTRIBUTIONS; PAYROLL DEDUCTIONS. (a) In accordance with Section 4 of this Act, the Board shall determine the proportion or percentage of the compensation for current service of all members required as the employe's contribution toward his retirement allowance, but in no event shall such contribution amount to more than five per centum of a member's compensation. The Board may fix separate rates of contributions necessitated by differences in age, sex, classification of positions, or other accepted actuarial factors. From October 1, 1950, until July 1, 1951, the rate of such contribution shall be five per centum of each member's compensation.

(b) The Board shall certify to the Commissioner of Finance and the employer in case of all employes paid by warrants on the State Treasurer, the proportion or per centum to be deducted from the compensation of each member, and the Commissioner of Finance or employer, as the case may be, shall cause to be deducted from the salary of each member on each and every payroll for each and every payroll period the proportion of the member's compensation so certified. All sums so deducted shall be deposited with the State Treasurer, in the manner prescribed by law, to the credit of the retirement fund.

(c) In determining the amount earned by a member in a payroll period, the Board may consider the rate of compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, or it may omit deduction from compensation for any period less than a full payroll period if an employe was not a member on the first day of the payroll period; and, to facilitate the making of deductions, it may modify the deduction required as to any member by an amount which shall not exceed one-tenth of one per centum of the annual salary from which said deduction is to be made.

(d) The deduction provided for health shall be made notwithstanding that the minimum compensation provided by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made as provided herein; and payment of salary or compensation, less said deductions, shall be a full and complete discharge of all claims for service rendered by such person during the period covered by such payments, except as to benefits provided by this Act.

(e) No payroll deductions and no contributions are required except during the period when the member is actually a full-time employe of a Department.

SECTION 8. EMPLOYER'S CONTRIBUTION. (a) Effective October 1, 1950, the employer shall pay into the retirement fund an amount equal (except as hereinafter provided) to such percentage of the compensation for current service of all members in his employ as shall be contributed by the members pursuant to Section 7 thereof on the basis of the actuarial evaluation set forth in Section 4 of this Act, to be known as the employer's current service contribution. The percentage contribution for current service by the Department of Kentucky State Police may be greater than an amount equal to the contribution of officer-members employed by that Department, but in no event shall such contribution amount to more than ten per cent of compensation for current service and shall be sufficient to permit the establishment of a retirement allowance recognizing a lower retirement age in that Department, as hereinafter provided, and to provide on an actuarially sound basis for other benefits arising from the hazardous nature of police work.

Such payment shall be authorized by the employer at the same time that the payroll providing the employee's contribution is forwarded to the Department of Finance.

In addition to the current service contribution, the employer shall make an additional contribution for prior service in accordance with the terms of Section 6 of this Act.

(b) Beginning with the fiscal year 1952-53, participating Departments are authorized to make available from funds appropriated to them, as a proper cost of administration of such Departments such funds as are necessary to meet the provisions of this Act. For the fiscal years 1950-51 and 1951-52, employer's contributions shall be provided for by the appropriations set out in Section 15 of this Act.

SECTION 9. RETIREMENT AFTER SERVICE. After July 1, 1952, any member other than an officer of the Department of Kentucky State Police, who has attained the age of sixty-five years and has complied with all other requirements of this Act, may retire from service upon written application to the Board. Any member who is an officer of the Department of Kentucky State Police, and who has attained the age of fifty-five years and complied with all other requirements of this Act, may retire upon written application to the Board. The filing of an application shall retire the member at the end of the fiscal year in which it is filed. After July 1, 1952, any member other than an officer of the Department of Kentucky State Police shall be automatically retired at the end of the fiscal year in which he attains the age of seventy years; in the case of officers of the Department of Kentucky State Police, the age shall be sixty years. However, until July 1, 1955, on special request by the member and by the head of his Department, a member who has attained the automatic retirement age may be continued in service for a period of two years following each such request.

The Board may permit retirement at earlier ages for any classifications of positions, provided, in the case of an officer-member of the Department of Kentucky State Police, the member has completed twenty-five years credited service, and in the case of other Departments, thirty years.

Notwithstanding any other provisions of this Act, any member who separates from service prior to retirement after completing twenty or more years of credited service, and who leaves his total accumulated contributions in said system, shall have the right to retire upon written application upon attaining the permissive retirement age established herein, notwithstanding the fact that said member does not have the status of a member in service at the time his application for retirement is filed.

Upon retirement, as provided in this Section, a member shall receive during the remainder of his life an annual retirement allowance, payable monthly in equal installments, in an amount determined in accordance with this Act and such rules and regulations as may be adopted by the Board.

The annual retirement allowance of any member shall not exceed a sum equal to one-half of his average compensation.

In the case of death of a member who has retired by reason of superannuation or disability, any portion of the member's contributions (including interest, as in the case of a withdrawal, to the date of retirement) that has not been paid as an allowance or benefit shall be paid to the member's estate in such manner as the Board may elect.

SECTION 10. DISABILITY RETIREMENT

(a) Any member who has been injured in line of duty, or who has paid employee's contributions for five years or more and has become disabled from any cause, upon the application of the head of the Department, or upon his own application, with the approval of the head of the Department, may be retired on a disability retirement allowance; provided the Board, pursuant to regulations to be adopted by it, is satisfied that such member is mentally or physically incapacitated for further performance of duty and that such incapacity is likely to be permanent.

(b) Upon retirement on account of disability, a member shall receive an annual disability retirement allowance, payable monthly in equal installments, in an amount determined in accordance with this Act and such rules and regulations as may be adopted by the Board; but in no case shall such allowance exceed

the amount which would be allowed for retirement after service for the same number of years; provided, however, that an officer-member of the Department of Kentucky State Police who is disabled in line of duty shall receive a monthly disability retirement equal to fifty per centum of his average compensation less any Workmen's Compensation payments received by him.

(c) All persons granted a disability retirement allowance shall undergo such physical examinations from time to time as the Board may require, and any disability beneficiary who has not yet attained the permissive retirement age or completed thirty years of service and who refuses to submit to such examination shall forfeit his right to draw any retirement allowance; and the same shall be discontinued. A member retired on a disability retirement allowance shall submit to the Board, for such period as the Board may require, sworn statements of all income for labor, service, or employment performed by such member.

(d) Whenever the Board shall find that any disability beneficiary is engaged in or is able to engage in gainful occupation or work, or is receiving Workmen's Compensation for permanent disability or both, paying more than the difference between his disability retirement allowance and his average compensation, the Board shall reduce his disability retirement allowance so that such allowance plus the amount which he earns or is able to earn, or receives from Workmen's Compensation, equals the amount of his average compensation. Should the earning capacity of any beneficiary be changed the Board may further modify the amount of his disability retirement allowance. A beneficiary restored to active service, at a salary less than the average compensation upon the basis of which he was retired, shall not be deprived of his disability allowance unless and until such salary is increased to an amount equal to or greater than the compensation upon the basis of which he was retired on a disability allowance.

(e) Should a disability beneficiary, under his minimum service retirement age, be restored to service in tenure status at a salary equal to or greater than his average compensation upon the basis of which he was retired, his disability retirement allowance shall cease and he shall again become a member of the

Retirement System, and shall contribute thereafter at the rate then in effect. In computing the service time of such restored member no credit shall be allowed for the time during which he was paid a disability service allowance.

SECTION 11. WITHDRAWAL BEFORE RETIREMENT; FORFEITURE OF CONTRIBUTIONS. Should a member, after three months membership but before being eligible for retirement under the provisions of Section 9 of this Act, cease to be a member other than by reason of death or by retirement under other provisions of this Act, he shall be paid, if he demands it, the amount of his employe's accumulated contributions plus regular interest less one-half the cost of administration of his account; provided, however, that the Board by regulation may prescribe that no interest shall be payable if separation occurs within five years from the date the employe became a member of the system. The rate of regular interest shall be fixed by the Board and in no instance shall exceed the rate of interest currently being realized by the Board. In such cases a former employe must demand within one year from the time his membership ceases that his employe's accumulated contributions, plus allowable interest, be paid to him; otherwise, three months after notice mailed to him at his last known address, his account will be closed, and all funds remaining therein will be credited to the general Retirement System fund. Should a member die at any time before retirement, the amount of his employe's accumulated contributions, plus interest as above provided, shall be paid to his estate or designated beneficiary. Any beneficiary so designated may be changed by written designation, signed, acknowledged, and filed with the Board.

SECTION 12. EXPENSE FUND. There is hereby created an expense fund from which shall be paid the cost of administering this Act.

SECTION 13. RETIREMENT FUND.

(1) There is hereby created a special fund to be known as the Retirement Fund which shall be administered separate and

apart from all public money or funds of this State, and which shall not lapse. This fund shall consist of:

- (a) All employe contributions required under this Act;
- (b) All employer contributions required under this Act;
- (c) Interest earned upon any money in the fund;
- (d) Any property or securities acquired through the use of money belonging to the fund;
- (e) All earnings of such property or securities; and,
- (f) Any gift, donation, or appropriation to the fund.

(2) Money shall be disbursed from the fund solely for the payment of retirement allowances, disability retirement allowances, and refunds of accumulated employe's contributions and interest in accordance with regulations prescribed by the Board.

(3) The revolving fund created by K.R.S. 16.110 shall be applied by the Department of Kentucky State Police towards the employer's contribution required of it by this Act.

SECTION 14. MANAGEMENT OF FUNDS.

(a) The Board shall be the trustee of the Retirement fund created by this Act and shall have full power to disburse, to invest and to re-invest such fund, subject to the limitation that no investment shall be made except upon the exercise of bona-fide discretion, and in securities which at the time of making the investment are, by statute, permitted for the investment of capital, surplus and accumulations of domestic life insurance companies by K.R.S. 296.250, Subsections (1), (2), (3), (5), (7), (8) and (9), and K.R.S. 386.050, and which are permitted for investment by an insurer under the terms of K.R.S. 304.404 to 304.413, and 304.428, if those sections are enacted into law by the 1950 session of the General Assembly. Subject to such limitations, the Board shall have full power to hold, purchase, sell, assign, transfer, or dispose of any of the securities or investments in which such fund has been or may be invested, as well as of the proceeds of such investments and any monies belonging to the fund.

(b) The State Treasurer shall be the custodian of the Retirement fund. All payments authorized by the Board from said fund shall be made by him on warrant of the Commissioner of Finance, on vouchers issued and signed by such person as is designated by the Board. A duly attested copy of a resolution of the Board designating such person and bearing on its face the specimen signature of such person shall be filed with the Commissioner of Finance as his authority for issuing warrants upon such vouchers.

(c) The Board shall allow to the Retirement fund regular interest, from the interest and dividends earned from investments.

(d) The regular interest shall be at such rate, compounded annually, as shall be determined by the Board on the basis of average balances and interest earnings of the Retirement System for the preceding year and of the probable earnings to be made, in the judgment of the Board, during the immediate future; and during the first year of operation of the Retirement System one per centum shall be treated as the regular interest rate.

(e) No member of the Board and no employe of the Board shall have an interest direct or indirect, in the gains or profits of any investment made by the Board save insofar as any such member may be a member or beneficiary of the Retirement System, and no member of the Board shall receive, directly or indirectly, any pay or emolument for his services except as expressly provided in this Act. No member of the Board or employe thereof shall, directly or indirectly, for himself or as an agent, in any manner use the funds or deposits of the Retirement System, except to make such payments therefrom as are authorized by the Board, nor shall any member or employe of the Board become an endorser or surety or in any manner an obligor for monies loaned by or borrowed from the Board.

(f) For the purpose of meeting disbursements for retirement allowances and other payments there may be kept available sufficient cash. The State Treasurer shall be responsible on his official bond for all cash and securities in his custody.

SECTION 15. APPROPRIATION OF FUNDS. Beginning in 1951, the Board shall biennially certify to the Department of

Finance as provided in K.R.S. 45.070 the estimated amounts each Department will have to make available in order to meet the provisions of this Act during the biennium next following. The amounts so ascertained shall be included in the appropriation bill for the Departments, and the Commissioner of Finance shall make said funds available to the Board as set out in Section 8 of this Act.

Notwithstanding any provisions of K.R.S. 45.230 and notwithstanding any other provision of the Kentucky Revised Statutes, all appropriations to the State Employee's Retirement Board for deposit in the Retirement Fund shall not lapse at the end of any fiscal year but shall be available for expenditure pursuant to the provisions of this Act during any succeeding year.

There is hereby appropriated to the State Employee's Retirement Board out of the General Expenditure Fund for the fiscal year beginning July 1, 1950, and ending June 30, 1951, and for the fiscal year beginning July 1, 1951, and ending June 30, 1952, the sum of \$25,000 for each of such fiscal years for deposit in the expense fund to be used for expenses of operation of the Board.

In addition to the foregoing appropriation, there is hereby appropriated to the State Employee Retirement Board out of the General Expenditure Fund for the fiscal year beginning July 1, 1950, and ending June 30, 1951, and for the fiscal year beginning July 1, 1951, and ending June 30, 1952, the sum of \$250,000 for each of such fiscal years, this sum being the Employer's Contribution required of all Departments, other than the Department of Highways, for Employer's Contribution as required by this Act, said sum to be deposited in the Retirement Fund and expended pursuant to this Act.

In addition to both of the foregoing appropriations, there is hereby appropriated to the State Employee's Retirement Board out of the General Expenditure Fund for the fiscal year beginning July 1, 1950, and ending June 30, 1951, and for the fiscal year beginning July 1, 1951, and ending June 30, 1952, the sum of \$150,000 for each of such fiscal years, this sum to be deposited in the Retirement Fund to be used by the Board in payment of prior service credits.

The Department of Highways, if any of its employes are brought within the scope of this Act by virtue of their being embraced within the Merit Personnel System, is hereby authorized to make available to the State Employee's Retirement Board, for deposit in the Retirement Fund, for the fiscal year beginning July 1, 1950, and ending June 30, 1951, and for the fiscal year beginning July 1, 1951, and ending June 30, 1952, such funds as are necessary to meet the provisions of this Act and such funds are hereby appropriated out of the State Road Fund for said fiscal years, to be allocated out of funds previously appropriated to the Department of Highways by the Budget Act of 1950.

The above appropriations to the Board for deposit in the Retirement Fund are provided for in light of the fact that no provision was made, in preparing the Budget Act of 1950, for Employer's Contributions required by this Act of Departments whose employes will either be embraced in the State Employee's Retirement System upon the effective date of this Act or will be embraced within said System by acquiring tenure status.

SECTION 16. PROTECTION AGAINST FRAUD. Any person who shall knowingly make any false statement, or shall falsify or permit to be falsified any record or records of the Retirement System, or shall attempt to defraud such system shall be guilty of a misdemeanor, and, on conviction, shall be fined not more than \$1,000 or imprisoned not more than three months, or both.

SECTION 17. CHANGE OR ERROR IN RECORDS. Should any change or errors in records result in any member or beneficiary receiving from the Retirement System more or less than he would have been entitled to receive had the records been correct, then on discovery of any such error the Board shall correct the same and, as far as practicable, shall adjust the payments in such manner that the benefits to which such member or beneficiary was correctly entitled shall be paid.

SECTION 18. EXEMPTION OF FUNDS FROM TAXATION, EXECUTION AND ASSIGNMENT. All retirement allowances and other benefits accrued or accruing to any person under the provisions of this Act, and the accumulated contri-

butions in cash or securities in the funds created under this Act, as property of the Commonwealth held in trust for beneficiaries hereunder, are declared to be exempt from taxation. They shall not be subject to execution, attachment, or garnishment, nor shall any assignment thereof be enforceable in any court.

SECTION 19. PROVISIONS OF ACT SUBJECT TO AMENDMENT OR REPEAL. Every provision of this Act shall be subject to amendment or repeal by any future session of the General Assembly, provided that no such amendment or repeal shall diminish or annul, in any respect, any right acquired by a member or beneficiary under the provisions of this Act or with respect to any fund derived from contributions made by members of the Retirement System.

SECTION 20. EFFECTIVE DATE. This Act shall take effect on July 1, 1950.

Mr. Hanratty offered the following amendments to said bill, viz:

Amendment No. 1. Amend printed copy of H. B. No. 414, on page 8, section 7, line 35—subsection (d) by striking out the word “health” and inserting in lieu thereof the word “herein.”

Amendment No. 2. Amend printed copy of H. B. No. 414 on page 6, section 5, line 24—Subsection (c) by striking out the word “prior” and the period after the word “credit” and adding the following: “prior to date of membership.”

Amendment No. 3. Amend printed copy of H. B. No. 414, on page 11, section 9, line 24 by adding thereto the following: “The board may provide for actuarially equivalent options as to retirement allowances.”

Amendment No. 4. Amend printed copy of H. B. No. 414, on page 11, section 9, line 36, by adding after the word “such” and before the word “rules” the following:

“actuarial and mortality tables and”

Amendment No. 5. Amend printed copy of H. B. No. 414, on page 11, section 9, line 44, by adding after the word "estate" and before the word "in" the following:

"or beneficiary"

Amendment No. 6. Amend printed copy of H. B. No. 414, on page 14, section 11, by striking out the word "regular" in line 8 after the word "plus" and before the word "interest", and in line 12 by striking out the word "regular" after the word "of" and before the word "interest."

Amendment No. 7. Amend printed copy of H. B. No. 414, on page 15, section 13, by striking out all of subsection (c) of Section 13 and inserting therefor the following:

"(c) Regular interest earned upon any money in the fund and assigned by the board."

Said amendments to said bill were each and severally agreed to.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and the same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and rejected.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Sidney Baer	George F. Harris	W. R. Reasor
Walter J. Bailey	Paul E. Hayes	Carl J. Ruh
Clarence J. Barnum	William K. Henry	Amos Runyan
C. E. Baumgardner	E. R. Hilton	Dr. Roy Sanders
Fred Beshear	Chester J. Holsclaw	Paul E. Shannon
Edward O. Bridgers	W. M. Horn	Gus Sheehan, Jr.
J. D. Buckman, Jr.	Richard R. Houpt	Jesse H. Shelton
Mrs. M. E. Burnett	Robert N. Hubbard	Forest Smith
Charles W. Burnley	Paul S. Jonas	John M. Spaulding
Alex Calvert	Barkley Jones	Mrs. Thelma Stovall
Paul Combs	William Jones	Rev. T. H. Tinsley
Owen Deering	Mrs. J. T. Linton	Ralph N. Walter
G. I. Drury	True Mackey	Fred M. Warns
Thomas R. Duncan	Fred H. Morgan	

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Those who voted in the negative were—

Bill Adams	Durham W. Howard	Dr. C. E. Palmore
Leonard T. Bean	Maurice G. Howard	Leonard W. Preston
John D. Beatty	Silas Jacobs	Hobart Rayburn
R. O. Blevins	James W. Lambert	LeRoy Saylor
L. E. Bradley	Jesse H. Lawrence	Roy Searcy
Thomas L. Britton	Homer E. Losey	Joseph T. Snapp
Stanley Carter	A. L. (Chick) Love	Roy Steers
B. H. Crider	Harry K. Lowman	Raymond D. Stigall
R. C. Estep, Sr.	John Martin	W. R. Stringer
Henry C. Hale	G. Lee McClain	Egbert V. Taylor
C. A. Hammons	Jack McPherron	M. G. Thompson
James P. Hanratty	Alton Mitchell	Harry Lee Waterfield
John A. Head	Archie R. Moore	Lyle H. Webb
Harold G. Helm	Emmett G. Moore	Morris Weintraub
Ray Holbrook	Walter R. Moorman	Charles W. Wirsch
Woodrow W. Hollan		

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And so said bill was rejected.

Mr. Preston moved that the vote by which said bill was rejected be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that they had examined and found to be correctly enrolled bills of the following titles, viz:

H. B. No. 23. AN ACT relating to the maintenance of streets or roads in subdivisions outside of the limits of cities in counties containing a city of the third class.

H. B. No. 131. AN ACT relating to bonds of state officers and employees.

H. B. No. 157. AN ACT transferring the balance of funds of toll-free bridge at Rockport to Sinking Fund of the Central Toll Bridge, Project No. 17.

H. B. No. 158. AN ACT relating to the disposal of cancelled checks in the hands of the Director of Records of the Department of Highways.

H. B. No. 202. AN ACT relating to the duties and functions of the deputy commissioner of welfare.

H. B. No. 217. AN ACT extending the jurisdiction of the Board of Claims and amending KRS 176.290, 176.310, 176.320, 176.330, 176.340, and 176.380.

H. B. No. 222. AN ACT relating to proceedings if an arrest be made without a warrant.

H. B. No. 223. AN ACT providing signals to be used by the operators of vehicles in indicating intention to stop or turn.

H. B. No. 270. AN ACT relating to revenue and taxation.

H. B. No. 271. AN ACT to establish a Water Pollution Control Commission and to control, prevent and abate pollution of the streams, lakes, ponds, and other surface or underground waters of the Commonwealth.

Thereupon all other business was suspended, said bills were read at length and compared in open session and found to be correctly enrolled, and thereupon, the Speaker, in open session and in the presence of the House affixed his signature thereto.

Ordered that the Enrolling Clerk deliver said bills to the Senate.

After a time the Enrolling Clerk aforesaid delivered the original and enrolled copies of said bills duly signed by the President of the Senate, into the possession of the Chief Clerk of this House.

Ordered that said bills be delivered by the Chief Clerk to the Governor.

After a time the Chief Clerk reported that he had discharged that duty.

Mr. Burnley moved that the rules be suspended and the vote by which a bill of the following title was rejected, viz:

H. B. No. 9. AN ACT relating to marriage licenses, amending Section 402.080 of the Kentucky Revised Statutes.

On March 7 be reconsidered.

Mr. Waterfield arose to a point of information and requested a ruling from the Chair as to the status of said bill should the motion as made by Mr. Burnley be agreed to.

The Speaker ruled that said bill would then be before the House for reconsideration.

The motion as made by Mr. Burnley was then agreed to by a majority of the members elected.

Thereafter, such reconsideration.

Mr. Preston moved that the vote by which the Previous Question on said bill was agreed to be reconsidered.

Said motion was agreed to.

Thereafter such reconsideration.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 402.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) No marriage shall be solemnized without a license therefor. The license shall be issued by the clerk of the county in which the female resides at the time, unless the female is of full age or a widow, and the license is issued on her application in person or by writing signed by her, in which case it may be issued by any county clerk.

(2) When either one or both applicants is under twenty-one years of age, no county clerk shall issue a marriage license until the application for the marriage license remains on file, open to the public, in the office of the county court clerk, for three days before license is issued.

Mr. Preston moved that the rules be suspended for the purpose of offering an amendment to said bill.

Said motion was agreed to.

Thereupon, Mr. Preston offered the following amendment to said bill, viz:

Amend printed copy of H. B. No. 9, on page 1, following section 2, "The effective date of this Act shall be January 1, 1953.

Said amendment was disagreed to.

Mr. Love moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bill Adams	Henry C. Hale	William T. Marshall
Edgar Arnett	C. A. Hammons	G. Lee McClain
Fred Beshear	James P. Hanratty	Jack McPherron
R. O. Blevins	George F. Harris	Emmett G. Moore
L. E. Bradley	Paul E. Hayes	Fred H. Morgan
Thomas L. Britton	Ray Holbrook	C. S. Nabb
J. D. Buckman, Jr.	Woodrow W. Hollan	Hobart Rayburn
Charles W. Burnley	W. M. Horn	Dr. Roy Sanders
Alex Calvert	Durham W. Howard	LeRoy Saylor
Paul Combs	Maurice G. Howard	Forest Smith
G. I. Drury	James W. Lambert	Roy Steers
Thomas R. Duncan	A. L. (Chick) Love	M. G. Thompson
R. C. Estep, Sr.	True Mackey	—38

Those who voted in the negative were—

Sidney Baer	Robert N. Hubbard	Roy Searcy
Clarence J. Barnum	Silas Jacobs	Paul E. Shannon
C. E. Baumgardner	Paul S. Jonas	Gus Sheehan, Jr.
Leonard T. Bean	Barkley Jones	Jesse H. Shelton
John D. Beatty	Jesse H. Lawrence	Joseph T. Snapp
Edward O. Bridgers	Mrs. J. T. Linton	John M. Spaulding
Mrs. M. E. Burnett	Homer E. Losey	Raymond D. Stigall
Stanley Carter	Harry K. Lowman	Mrs. Thelma Stovall
R. Josh Cosby	John Martin	W. R. Stringer
B. H. Crider	Alton Mitchell	Egbert V. Taylor
Owen Deering	Archie R. Moore	Rev. T. H. Tinsley
Mitchell S. Fannin	Walter R. Moorman	Ralph N. Walter
John A. Head	Dr. C. E. Palmore	Fred M. Warns
William K. Henry	Leonard W. Preston	Harry Lee Waterfield
E. R. Hilton	W. R. Reasor	Morris Weintraub
Chester J. Holsclaw	Carl J. Ruh	Charles W. Wirsch
Richard R. Houpt	Amos Runyan	—50

And so said bill was rejected.

Mrs. Burnett moved that the vote by which said bill was rejected be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that they had examined and found to be correctly enrolled bills of the following titles, viz:

S. B. No. 1. AN ACT relating to Fireworks.

S. B. No. 134. AN ACT authorizing and adding one additional judge to the circuit court for the Twenty-second Circuit Court District; establishing the divisions of said circuit court; providing for the appointment and election of the additional judge to said court; and providing for the manner in which said court shall be held and the business therein conducted.

S. B. No. 173. AN ACT relating to officers and employes of cities of the second class operating under the commission form of government.

Thereupon, all other business was suspended, said bills were read at length and compared in open session and found to be correctly enrolled, and thereupon, the Speaker, in open session and in the presence of the House affixes his signature thereto.

Ordered that said bills be delivered to the Enrolling Clerk of the Senate.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills which originated in that body of the following titles, viz:

S. B. No. 100. AN ACT relating to education.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The provisions of KRS 158.020 shall not be construed to prohibit the giving or receiving of instruction in any course of

study, above high school level, in any institution of higher education, public or private, at the undergraduate or graduate grade or on the professional level, or in any course of instruction for adults conducted or sponsored by or under the auspices of public or private corporations, groups or bodies, provided the governing authorities of the institution, corporation, group or body so elect, and provided that an equal, complete and accredited course is not available at the Kentucky State College for Negroes.

S. B. No. 228. AN ACT relating to the fees of Commonwealth's witnesses in felony cases and their manner of payment.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Subsection (1) of Section 421.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) Witnesses subpoenaed for the state in felony cases shall be allowed out of the State Treasury one dollar per day for each day in attendance in the circuit court, beginning with the day set for trial of the case. If a witness resides in another county he shall receive in addition to per diem, four cents per mile going and returning by nearest traveled route to be allowed by the court and to be paid by the circuit clerk in the manner provided for the payment of jurors' claims by KRS 28.180 (1). The circuit clerk shall be allowed an amount equal to five percent of the funds disbursed by him to witnesses under this section.

Sec. 2. Section 421.030 of the Kentucky Revised Statutes is amended to read as follows:

A Commonwealth's witness in a felony case who resides in another state shall be allowed his necessary expenses in addition to the per diem, but no such allowance shall be made unless the judge of the court has made an order based upon the personal knowledge of the circuit judge or upon informa-

tion showing that the testimony of the witness is material to the state, requiring the attendance of the witness. The expense and per diem shall be allowed by the circuit court and shall be paid by the circuit clerk in the manner provided for the payment of jurors' claims by KRS 28.180(1). The circuit clerk shall be allowed an amount equal to five percent of the funds disbursed by him under this section.

S. B. No. 248. AN ACT relating to the licensing and regulation of contractors for works projects and the letting and performance of contracts for such projects.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act:

(1) "Works project" means any public works project or undertaking for the construction, reconstruction, alteration, repairing, improving, moving, demolishing, or otherwise making, or changing the physical character, of any structure or installation, including any building, road, highway, railroad, sewer, pipe line, or other similar thing, or for the grading, excavation, moving or otherwise changing the physical conformation of any soil, earth, rock, or body or stream of water, where the cost of the project or undertaking is \$15,000 or more and the contracting agency is the State or any of its political subdivisions, or any agency thereof.

(2) To "perform" a works project means to cause the works project to be accomplished through the application of the necessary labor, materials and equipment, under a general supervising authority or responsibility.

(3) "Person" includes companies as well as individuals.

(4) "Company" includes partnership, firm, corporation or other organization or association.

(5) "Board" means the State Licensing Board for Contractors.

SEC. 2. From and after August 1, 1950, except as provided in Section 11 of this Act, no person shall perform any

works project, or enter into any contract or agreement to perform a works project, or bid or otherwise offer to enter into such a contract or agreement, unless he possesses a license as a contractor under this Act.

SEC. 3. A company may be issued a license as a contractor, if the company is found to be qualified upon examination of its principal officer or member in active charge of its business, as provided in Section 4 of this Act. If, following the issuance of a license to any company, there is any substantial change in the membership or ownership of the company, or the principal officer or member who was examined ceases to be the principal officer or manager in active charge of the business, a sworn statement of such change or cessation shall be filed with the board within ten days after the change or cessation occurred. The board may require such additional information as it deems necessary to determine whether the change or cessation impairs the qualifications of the company to continue to be licensed. If the board is of the opinion that the qualifications are impaired, the board may require that the then principal officer or member of the company in active charge of its business submit to an examination, within ninety days, for the purpose of determining whether the company is qualified to continue to be licensed. If upon such examination the company is found not to be qualified, or if the principal officer or member fails or refuses to submit to examination, the board may revoke the license of the company, with the same effect and subject to the same right of appeal as provided in Sections 10 and 11 of this Act.

SEC. 4. (1) Any person desiring to obtain a license as a contractor under this Act shall make written application to the board, upon forms prescribed by the board, which application shall be accompanied by a fee of fifty dollars. If the application is by a company, it shall indicate whether the company is a partnership, firm, corporation or other kind of organization or association, and shall designate the principal officer or member in active charge of its business, and shall be signed by such principal officer or member.

(2) If the application is in proper form, and is accompanied by the prescribed fee, the applicant shall be ad-

mitted to examination for the purpose of determining his qualifications, unless he is exempted from examination under the provisions of Section 8 of this Act. The scope of the examination and the method of procedure shall be prescribed by the board with special reference to the applicant's ability to perform works projects so as to insure the safety of life, health and property.

(3) Examinations shall be held at least four times each year, at the time and place of the regular quarterly meetings of the board, or at such other time and place as the board may fix. Suitable publicity shall be given as to the times and places at which examinations will be held. If an application for a license is filed less than thirty days before an examination date, the applicant shall not be entitled to be examined until the following examination date.

(4) An applicant who fails to pass the examination shall be entitled to one reexamination, without additional fee, on any one of the next three examination dates selected by him. An applicant who again fails to pass, on the reexamination, shall not be entitled to again apply for a license until the expiration of one year from the date of his original application, and then shall be required to make application and pay the fee the same as an original applicant. Any applicant who fails an examination shall not be entitled to a refund of the application fee.

SEC. 5. (1) An applicant for a contractor's license who successfully passes the examination shall be issued a contractor's license, evidenced by a suitable certificate.

(2) The original license shall remain in force for the current calendar year, subject to renewal as provided in Section 6 of this Act. The application fee shall be deemed to constitute the license fee for such calendar year.

SEC. 6. Licenses issued under this Act shall be renewed annually, by paying to the secretary of the board, during the month of December of each year, a renewal fee of twenty-five dollars. Not later than December 1 each year, the secretary shall mail to each licensee a renewal notice, stating the expiration date and the amount of the renewal fee. However, failure of

any licensee to receive such a notice shall not relieve him of the obligation of renewing his license. Any license not renewed prior to December 31 of any year shall expire as of that date. An expired license may be revived, at any time within one year from the date of expiration, by paying a revival fee equal to the amount of the renewal fee plus ten percent of that amount for each month or part of a month that has elapsed since the date of expiration, except that the revival fee shall in no event exceed twice the normal renewal fee. If an expired license is not revived within one year from the date of its expiration, the holder of the license, in applying for a new license, shall be subject to the same requirements as an original applicant for a license.

SEC. 7. No license issued under this Act shall be transferable or assignable to any other person, nor shall any person be authorized to perform any act under the license other than the person in whose name it is issued.

SEC. 8. Any person who, during the one year period immediately preceding the effective date of this Act, has been lawfully engaged in this state in the business of performing works projects, shall be issued a license without examination, provided his application, accompanied with the prescribed fee of fifty dollars and with suitable proof of the above facts, is filed with the board within sixty days following the effective date of this Act.

SEC. 9. (1) The board shall have authority to revoke any license under this Act if the licensee has been guilty of fraud or deceit in obtaining the license, or has been guilty of gross negligence, incompetence or misconduct in the conduct of his business, or has entered into a combination with an unlicensed contractor to perform for the latter's benefit any works project.

(2) Any person may prefer charges against a licensee, on the grounds set forth in subsection (1) of this section, by filing with the secretary of the board a written statement of the charges, sworn to by the person preferring the same. Unless the board deems the charges to be unfounded or trivial, the board shall hold a hearing thereon, as soon as is practicable, at a time and place to be fixed by the board. Notice of the time

and place of the hearing shall be given by mail to the person preferring the charges.

(3) A copy of the charges, together with a notice of the time and place of the hearing, shall be served on the accused licensee, by registered mail, or by personal service, at least twenty days before the day fixed for the hearing. If such service cannot be made the required number of days before the day originally fixed for the hearing, the board may fix another day for the hearing. At the hearing the accused licensee shall have the right to appear in person and by counsel, to cross-examine witnesses against him, and to produce witnesses and evidence in his defense. The board shall have authority to issue subpoenas for the attendance of witnesses and the production of evidence, to swear witnesses and compel the giving of testimony and the production of evidence. Any circuit judge, upon application of the board, shall have authority to punish as for contempt any person refusing to appear or produce evidence in response to a subpoena issued by the board, or, being present, refusing to give testimony or produce evidence as required by the board. Witnesses subpoenaed to appear at the hearing shall be entitled to the same fees as in circuit court. The fees of witnesses subpoenaed at the direction of the board, and the officer's fees for serving the subpoenas, shall be paid by the board out of its funds; the witness fees and officer's fees for witnesses subpoenaed at the request of any party to the hearing shall be paid by such party. At the request of any party, accompanied by a tender of the fees and a reasonable showing of necessity, the board shall subpoena the witnesses requested by such party. Subpoenas issued by the board shall be served by any officer authorized to serve process issued by a court of record.

(4) The board may itself prefer charges against a licensee, on the grounds set forth in subsection (1) of this section, in which case the same procedure shall be followed as provided in subsection (3) of this section.

(5) The affirmative vote of a majority of the board shall be necessary to revoke a license.

(6) Any person whose license has been revoked shall not have the right to make application for any license under this Act until the expiration of a period of five years from the date of revocation, provided that the board, in its discretion, may permit such a person to make application at any time before the expiration of such period. A person whose license has been revoked shall, in applying for a new license, be subject to all provisions of this Act governing an original applicant.

(7) Upon revoking a license, the board shall immediately notify the Secretary of State and each city clerk and county clerk, with directions to note the fact of revocation opposite the name of the licensee upon the roster provided for in Section 12 of this Act.

SEC. 10. When the board denies a license to an applicant, or revokes a license, it shall enter an order of denial or revocation, as the case may be, and shall immediately send a copy thereof to the applicant or licensee, by registered mail. Within twenty days after the receipt of such copy, the applicant or licensee may commence an action in the Franklin Circuit Court to secure a review of the order of the board. The circuit court may set aside the order only if it appears that the board acted beyond its powers or had no substantial evidence to support its action. The commencement of such an action shall not have the effect of superseding the order of the board.

SEC. 11. (1) The revocation or expiration of any license under this Act shall not affect the right of the licensee to complete the performance of any works project for which the licensee entered into a contract or made a firm bid or offer while the license was in force, but otherwise all of the provisions of Section 2 of this Act shall apply.

(2) Any person who, prior to the effective date of this Act, has entered into a contract for the performance of any works project or has made a firm bid or offer to enter into such a contract, shall have the right to perform such works project pursuant to the contract, without a license under this Act, but otherwise all of the provisions of Section 2 of this Act shall apply.

SEC. 12. During the month of January each year, the secretary of the board shall prepare and cause to be printed a roster showing the names and places of business of all licensed contractors and shall mail a copy to the Secretary of State, and to each city and county clerk in the state, who shall place the same on file in their offices.

SEC. 13. (1) There is hereby created a State Licensing Board for Contractors, to consist of five members appointed by the Governor. Not more than two of the members shall be residents of the same Congressional District. Each member shall, at the time of his appointment, be principally engaged in the business of performing works projects, and shall have been actively engaged in that business for a period of not less than ten years immediately preceding his appointment, and shall be of recognized standing in the field of works projects in which he is principally engaged. The Governor, in making appointments, shall endeavor to diversify the membership so that each of the major fields of the contracting industry will be represented on the board. Each member of the board shall be at least thirty-five years of age. The Governor, in appointing the first members of the board, shall be authorized to issue licenses to them as contractors, which licenses shall have the same force and effect, and be subject to the same provisions, as other licenses issued under this Act. Thereafter, no person may be appointed to or serve as a member of the board unless he holds a current license as a contractor.

(2) The Governor shall appoint the first members of the board forthwith upon the taking effect of this Act, for terms expiring as follows: One on December 31, 1950; one on December 31, 1951; one on December 31, 1952; and two on December 31, 1953. As the terms of such members expire, and every four years thereafter, successors shall be appointed for terms of four years, deemed to commence as of January 1. Each member shall serve until his successor is appointed and qualified. Vacancies shall be filled by the Governor for the unexpired term. The Governor may remove any member for misconduct, incompetency or neglect of duty.

(3) Each member of the board shall be com-

missioned by the Governor and shall take the Constitutional oath of office.

SEC. 14. (1) The members of the first board appointed under this Act shall, within thirty days after their appointment, meet at such time, and at such place in the City of Frankfort, as the Governor shall designate, and organize by electing a chairman, vice-chairman and secretary, to serve for the balance of the calendar year. Thereafter the board, at its January meeting each year, shall elect a chairman, vice-chairman and secretary to serve for a term of one year.

(2) In lieu of electing one of its members as secretary, the board may employ or appoint an executive secretary-treasurer, and fix his compensation. Such executive secretary-treasurer, shall have all the powers and duties conferred upon the "secretary" of the board by this Act.

(3) The board may employ such clerical and other personnel as it deems necessary for the performance of its functions under this Act, within the limits of funds available to the board.

(4) The board shall adopt a seal for its own use. The seal shall bear the inscription "Kentucky State Licensing Board for Contractors." The secretary shall have charge, care and custody of the seal.

SEC. 15. (1) The board shall meet quarterly, in January, April, July and October of each year, upon such day and at such place as is fixed by resolution of the board, for the purpose of transacting such business as may come before it. Special meetings may be held at the call of the chairman, and the chairman shall call a special meeting at the request of any two members. Notice of meetings shall be given to each member in such manner as is provided by resolution of the board. Three members of the board shall constitute a quorum.

(2) The secretary shall keep a record of the proceedings of the board, and a register of all applicants for licenses, showing for each the date of application, the name, qualifications, place of business, place of residence, character of business, and whether the license was granted or refused.

The books and register of the board shall be prima facie evidence of all matters recorded therein.

(3) The board shall have authority to prescribe rules and regulations for the proper administration and enforcement of this Act, including regulations as to the replacement of lost, destroyed or mutilated license certificates.

SEC. 16. The members of the board shall serve without compensation, but shall be reimbursed for their actual and necessary expenses incurred in carrying out the provisions of this Act. The board may authorize the payment of the necessary expenses of its executive secretary-treasurer and other employed personnel, incurred in the performance of their duties.

SEC. 17. The board shall have the same rights and privileges with respect to legal services as other state agencies.

SEC. 18. On or before March 1 each year, the board shall submit to the Governor a report of the proceedings of the preceding year, and shall file a copy of the report with the Secretary of State.

SEC. 19. The board shall make such investigations and inquiries as are necessary to determine whether this Act is being violated by any person, and shall prosecute any person who violates this Act. The board shall have the authority to bring suit to enjoin any person from violating or continuing to violate this Act, and in such suit shall not be required to give bond. Any expenses incurred in the prosecution of such suit shall be paid in the same manner as other expenses of the board.

SEC. 20. On and after August 1, 1950, no officer or employe of this state or of any political subdivision thereof shall issue a permit, work order, or award of contract, for the performance of any works project, to any person who does not hold a contractor's license under this Act, except under the circumstances contemplated by Section 11 of this Act.

SEC. 21. On and after August 1, 1950:

(1) Each architect or engineer preparing invitations to bidders or plans and specifications for works projects to be performed in this state shall include therein a statement that no bid will be accepted or considered other than from a contractor licensed under this Act.

(2) No bid for the performance of any works project shall be received from any person other than a licensed contractor.

SEC. 22. No person shall use or attempt to use, or exhibit or present as his own, any license certificate issued under this Act to another person; or falsely impersonate a licensee; or use or attempt to use an expired or revoked license certificate; or present false or forged evidence of any kind to the board.

SEC. 23. All fees received by the board under the provisions of this Act shall be placed in the State Treasury to the credit of an agency fund for the use of the board in carrying out the provisions of this Act, and shall be available to the board for the payment of expenses, compensation of employed personnel, and other expenditures necessary in carrying out the functions of the board.

SEC. 24. The fact that a person has been issued a license under this Act shall not exempt him from any of the requirements of KRS 176.070 to 176.230, and none of the provisions of those sections shall in any way be affected or superseded by this Act.

SEC. 25. Any person who violates any provision of this Act shall, for each offense, be fined not less than one hundred dollars nor more than five hundred dollars. In addition to such fine, or in lieu thereof, any person who violates any provision of Section 2 or Section 22 of this Act may be imprisoned in jail for not more than thirty days.

Ordered that said bills be printed and referred to the Committee on Rules.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 241. AN ACT relating to expense accounts of state officers and employees.

Said bill is as follows, viz;

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 45.180 of the Kentucky Revised Statutes, is hereby amended to read as follows:

(1) Each state officer or employe who is authorized by law to receive, from corporations or from the State Treasury or any fund appropriated out of the State Treasury, his traveling or other expenses incident to the discharge of his official duties, shall submit to the Department of Finance an itemized statement of such expense, accompanied by a receipt, on a blank furnished by the Department of Finance, for each item of expense in excess of two dollars, before the department shall audit or pay such expenses.

(2) Each state officer or employe who by reason of the duties assigned to his office, is required to be at the state capital for the majority of the time, or who has an office located at the state capital, shall not be permitted to charge for expenses except from the state capital to the place where the business he is transacting is to be transacted, and from that place back to the state capital, and each officer or employe who is assigned to duty at some place other than the state capital shall only be permitted to charge to the state such expenses as are incurred in going from that place to the place where the business is transacted, and returning. Expenses in going from the state capital or the place where the officer or employe is assigned to duty to the officer's or employe's real place of residence, or in return therefrom, shall not be allowed unless it is shown that it was necessary for him to make the trip in the discharge of business for the state.

Mr. Reasor moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	C. A. Hammons	Fred H. Morgan
Bill Adams	James P. Hanratty	C. S. Nabb
Edgar Arnett	George F. Harris	Dr. C. E. Palmore
Sidney Baer	John A. Head	Leonard W. Preston
Clarence J. Barnum	William K. Henry	Hobart Rayburn
C. E. Baumgardner	E. R. Hilton	W. R. Reasor
Leonard T. Bean	Ray Holbrook	Amos Runyan
Fred Beshear	Chester J. Holsclaw	Dr. Roy Sanders
R. O. Blevins	W. M. Horn	Paul E. Shannon
L. E. Bradley	Durham W. Howard	Gus Sheehan, Jr.
Thomas L. Britton	Robert N. Hubbard	Jesse H. Shelton
J. D. Buckman, Jr.	Paul S. Jonas	Joseph T. Snapp
Mrs. M. E. Burnett	Barkley Jones	Roy Steers
Charles W. Burnley	James W. Lambert	Raymond D. Stigall
Alex Calvert	Jesse H. Lawrence	Mrs. Thelma Stovall
Stanley Carter	Mrs. J. T. Linton	Egbert V. Taylor
Paul Combs	A. L. (Chick) Love	M. G. Thompson
R. Josh Cosby	Harry K. Lowman	Rev. T. H. Tinsley
B. H. Crider	True Mackey	Ralph N. Walter
Owen Deering	G. Lee McClain	Fred M. Warns
Thomas R. Duncan	Jack McPherron	Harry Lee Waterfield
R. C. Estep, Sr.	Archie R. Moore	Morris Weintraub
Mitchell S. Fannin	Walter R. Moorman	Charles W. Wirsch
Henry C. Hale		

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 243. AN ACT relating to the manner of letting contracts for materials, supplies and equipment: Advertisements.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 42.070 of the Kentucky Revised Statutes is hereby repealed, reenacted, and amended to read as follows:

(1) All persons, firms or corporations who are in a position to and desire to bid on and furnish any of the materials, supplies or equipment usually purchased by the Division of Purchases during the year may at any time file with such division its or their name or names, together with the character and kind of such materials, supplies and equipment which it or they may desire to bid on and furnish and such names shall be recorded in some record book kept in the office of said division giving the name and address and such materials, supplies or equipment as each may be able and desires to bid on and furnish, and the Division of Purchases shall mail to those so recorded reasonable written notice of all proposed purchases excepting purchases of less amount than \$300.00. Said notices by mail shall state also the time and place of receiving and opening bids, and any other information said division may deem to be to the best interest of the state, and all said bids shall be made in writing, type-written or in ink; sealed, and opened and read publicly by said division as they are opened and after due consideration contract shall be awarded to the lowest and best bidder, unless in the discretion of said division, no satisfactory bid has been received, in which event any or all bids may be rejected and new bids

requested as herein provided by giving further notice to prospective bidders as herein provided or by advertisement,

and pending delay said division may make such purchases as will relieve pressing emergencies. In the event no bids are received, such emergency purchases may be made until new bids are advertised for and received. A statement setting forth the reason for each emergency purchase shall be filed as part of the record on each emergency purchase. In case any or all bids are rejected as unsatisfactory, the said division may negotiate purchase, at a price or prices lower than the lowest and best bid or bids rejected of any or all of the materials, supplies or equipment proposed to be purchased.

(2) If any person, firm or corporation whose name is registered as herein provided for fails for the period of one year from the date of his registration to make any bid after having been mailed an invitation to bid as herein provided the Division of Purchases shall mail to any such person, firm or corporation a notice to show cause ten days from the date of the mailing of such notice why his name should not be removed from the register of those to whom invitations must be sent. If, in the judgment of the Division of Purchases, any person, firm or corporation registered as herein provided shall, after having received awards of contract or purchase orders, persist in furnishing under such awards of contract or purchase orders, materials, supplies or equipment in quantity or quality less than that contracted for by such award of contract or purchase order, the said division shall mail to him notice to show cause ten days from the date of the mailing of such notice why his name should not be removed from the register of those to whom invitations must be sent. If the person, firm or corporation to whom such notice to show cause is sent shall request a hearing on the question of the removal of his name from the register, such hearing shall be accorded him by the division, but the decision of the division as to the removal of the name from the register shall be final, provided that after a period of one year from the date of such removal any person, firm or corporation may register as herein provided.

Mr. Reasor offered the following amendment to said bill, viz:

Amend printed copy of H. B. No. 243, on page 2, line 26, by striking the entire line and inserting in lieu thereof the following:

“advertisement, and pending”

Said amendment to said bill was agreed to.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	B. H. Crider	Paul S. Jonas
Bill Adams	Owen Deering	Barkley Jones
Edgar Arnett	Mitchell S. Fannin	James W. Lambert
Sidney Baer	Henry C. Hale	Jesse H. Lawrence
Clarence J. Barnum	C. A. Hammons	Mrs. J. T. Linton
C. E. Baumgardner	James P. Hanratty	A. L. (Chick) Love
Fred Beshear	George F. Harris	Harry K. Lowman
R. O. Blevins	Paul E. Hayes	True Mackey
Edward O. Bridgers	William K. Henry	William T. Marshall
Thomas L. Britton	E. R. Hilton	Jack McPherron
J. D. Buckman, Jr.	Chester J. Holsclaw	Archie R. Moore
Charles W. Burnley	W. M. Horn	Emmett G. Moore
Alex Calvert	Richard R. Hought	C. S. Nabb
Stanley Carter	Maurice G. Howard	Dr. C. E. Palmore
Paul Combs	Robert N. Hubbard	Hobart Rayburn

W. R. Reasor	Jesse H. Shelton	Rev. T. H. Tinsley
Carl J. Ruh	Forest Smith	Ralph N. Walter
Amos Runyan	Roy Steers	Fred M. Warns
Dr. Roy Sanders	Raymond D. Stigall	Harry L. Waterfield
Roy Searcy	Mrs. Thelma Stovall	Morris Weintraub
Paul E. Shannon	Egbert V. Taylor	Charles W. Wirsch
Gus Sheehan, Jr.		—64

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 224. AN ACT relating to the number of copies of journals and acts to be printed.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 57.140 of the Kentucky Revised Statutes, 1948 edition, is amended to read as follows:

(1) Three hundred copies of the journal of each house of the General Assembly, and two thousand copies of the Acts of the General Assembly shall be printed.

(2) The Superintendent of Public Instruction shall have printed by the contractor for state printing the following number of copies of the biennial report of the State Board of Education: One copy for each school district, one for each superintendent of schools, seven hundred and fifty copies for the General Assembly and for exchange with superintendents of other states, and five hundred copies for general distribution.

(3) The Commissioner of Agriculture, Labor and Statistics shall have printed not more than five thousand copies of his biennial report for the General Assembly and for general distribution.

(4) Not more than one thousand copies of the report of the State Treasurer, three hundred copies of the report of the Adjutant General, five hundred copies of the report of the trustees of the University of Kentucky and five hundred copies of the annual reports of the Railroad Commission shall be printed.

(5) Subject to the provisions of sub-section (2) and to the maximum limits prescribed in sub-sections (3) and (4) of this section, the Department of Finance shall determine what parts, if any, of the annual and biennial reports of constitutional administrative departments, and independent agencies, as defined in KRS 12.020, and how many copies of such reports, shall be printed and distributed at public expense.

(6) The Department of Finance may determine the number of copies of any work to be printed or bound where the number or the method of fixing the number is not provided for by statute. If any work is ordered printed, and no number of copies is specified by statute or by the contract or order for printing, only two hundred copies shall be printed.

(7) The Acts, the journals of each house of the General Assembly, the Kentucky Reports, the report of the Commissioner of Agriculture, Labor and Statistics, and one hundred copies of the Governor's message, shall be bound. All other printed matter shall be only stitched, unless otherwise specially ordered.

Mr. Reasor moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Paul E. Hayes	Hobart Rayburn
Bill Adams	William K. Henry	W. R. Reasor
Edgar Arnett	E. R. Hilton	Carl J. Ruh
Sidney Baer	Ray Holbrook	Amos Runyan
Clarence J. Barnum	Woodrow W. Hollan	Dr. Roy Sanders
R. O. Blevins	W. M. Horn	Roy Searcy
J. D. Buckman, Jr.	Silas Jacobs	Gus Sheehan, Jr.
Mrs. M. E. Burnett	Barkley Jones	Jesse H. Shelton
Charles W. Burnley	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	Raymond D. Stigall
R. Josh Cosby	A. L. (Chick) Love	Mrs. Thelma Stovall
B. H. Crider	Harry K. Lowman	W. R. Stringer
Owen Deering	True Mackey	Egbert V. Taylor
Thomas R. Duncan	William T. Marshall	Rev. T. H. Tinsley
Mitchell S. Fannin	Jack McPherron	Fred M. Warns
Henry C. Hale	Archie R. Moore	Harry Lee Waterfield
C. A. Hammons	C. S. Nabb	Morris Weintraub
James P. Hanratty	Dr. C. E. Palmore	Charles W. Wirsch
George F. Harris	Leonard W. Preston	—56

Those who voted in the negative were—

John D. Beatty —1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 245. AN ACT relating to rates for composition for public printing.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 57.230 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) For all composition, in any kind of type, blanks and miscellaneous printing, the rates per one thousand ems shall not exceed the following:

(a) Plain or book composition, one dollar and twenty cents.

(b) Column matter, in three or more columns, depending upon each other, and reading across the page, without rules, two dollars.

(c) Rule, figure work, tabulated, indexing and side note, three dollars.

(d) Original composition transferred from one document to another of whatever character, including leading or unleading over-running, changing head or foot line and making up forms, fifty cents for each form so charged of whatever size.

(2) No allowance shall be made for correcting forms in any case, except where material alterations have been made in the original copy, in which case an amount not to exceed one dollar and fifty cents shall be allowed for every hour spent in making such corrections.

(3) If, in any branch of printing, tabular statements occur which it is impracticable to print on the ordinary sized pages, the statements shall be printed on tabulary sheets of the necessary size, and the amount of composition shall be ascertained

by measuring the printed surface and thereby ascertaining the number of ems.

(4) No composition shall be leaded unless actually required and directed by the Department of Finance in writing. No composition shall be paid for a second time unless the work has actually been done, and then only when unavoidable necessity compels its resetting.

Mr. Reasor moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Edward O. Bridgers	R. Josh Cosby
Bill Adams	Thomas L. Britton	B. H. Crider
Edgar Arnett	J. D. Buckman, Jr.	Owen Deering
Sidney Baer	Mrs. M. E. Burnett	R. C. Estep, Sr.
C. J. Barnum	Alex Calvert	Henry C. Hale
Fred Beshear	Stanley Carter	James P. Hanratty
R. O. Blevins	Paul Combs	George F. Harris

Paul E. Hayes	True Mackey	Gus Sheehan, Jr.
William K. Henry	Jack McPherron	Jesse H. Shelton
E. R. Hilton	Archie R. Moore	Forest Smith
Woodrow W. Hollan	Emmett G. Moore	Joseph T. Snapp
Chester J. Holsclaw	Fred H. Morgan	Mrs. Thelma Stovall
Durham W. Howard	C. S. Nabb	W. R. Stringer
Silas Jacobs	Dr. C. E. Palmore	Egbert V. Taylor
Paul S. Jonas	Hobart Rayburn	Rev. T. H. Tinsley
Barkley Jones	W. R. Reasor	Fred M. Warns
Jesse H. Lawrence	Carl J. Ruh	Harry Lee Waterfield
Mrs. J. T. Linton	Amos Runyan	Morris Weintraub
A. L. (Chick) Love	Dr. Roy Sanders	Charles W. Wirsch
Harry K. Lowman	Roy Searcy	-59

Those who voted in the negative were—

C. A. Hammons

-1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 356. AN ACT concerning the time of payment, discount, interest and penalties of tax bills in cities of the first class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION I.

Section 91.430 of the Kentucky Revised Statutes concerning the time of payment, discount, interest and penalties of tax bills

in cities of the first class is hereby repealed and reenacted, and as so reenacted shall read:

(1) Tax bills shall be payable in January after the same are listed with the tax receiver for collection, and shall become delinquent on May 1 of the year for which they are made out.

(2) The taxes paid before May 1 in the year for which they are made out may be reduced by discounts not to exceed three percent during such periods and in such amounts as the legislative body of the city may provide by ordinance.

(3) All tax bills uncollected in whole or in part on May 1 next succeeding the day on which they were listed with the tax receiver shall thereafter bear interest at the rate of one-half of one percent for every month or fraction thereof from May 1 until paid or until the property of the delinquent has been sold for the tax.

(4) On July 1 next succeeding the day on which the tax bills were listed with the tax receiver, a penalty of ten percent of the face of the bill shall be added to all unpaid tax bills, in addition to the interest.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	Alton Mitchell
Bill Adams	Harold G. Helm	Archie R. Moore
Edgar Arnett	E. R. Hilton	Fred H. Morgan
Sidney Baer	Woodrow W. Hollan	C. S. Nabb
Clarence J. Barnum	Chester J. Holsclaw	Dr. C. E. Palmore
C. E. Baumgardner	W. M. Horn	Leonard W. Preston
Fred Beshear	Richard R. Houpt	Hobart Rayburn
L. E. Bradley	Durham W. Howard	W. R. Reasor
Edward O. Bridgers	Robert N. Hubbard	Carl J. Ruh
Thomas L. Britton	Silas Jacobs	Amos Runyan
J. D. Buckman, Jr.	Paul S. Jones	Gus Sheehan, Jr.
Mrs. M. E. Burnett	Barkley Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	Raymond D. Stigall
B. H. Crider	Homer E. Losey	Mrs. Thelma Stovall
Owen Deering	A. L. (Chick) Love	W. R. Stringer
R. C. Estepp, Sr.	Harry K. Lowman	Fred M. Warns
C. A. Hammons	William T. Marshall	Harry Lee Waterfield
James P. Hanratty	Jack McPherron	Charles W. Wirsch

—57

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 336. AN ACT changing the classification of the City of Shepherdsville, in Bullitt County.

Said bill is as follows, viz:

WHEREAS, satisfactory evidence has been presented to the General Assembly that the population of the City of Shepherds-

ville, in Bullitt County, is such as to justify its being assigned to the fifth class of cities.

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Shepherdsville, in Bullitt County, is transferred from the sixth class to the fifth class of cities.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Fred Beshear	Mrs. M. E. Burnett
Bill Adams	R. O. Blevins	Charles W. Burnley
Sidney Baer	L. E. Bradley	Alex Calvert
Clarence J. Barnum	Thomas L. Britton	Stanley Carter
C. E. Baumgardner	J. D. Buckman, Jr.	Paul Combs

R. Josh Cosby	Silas Jacobs	Carl J. Ruh
B. H. Crider	Paul S. Jonas	Amos Runyan
Owen Deering	Barkley Jones	Dr. Roy Sanders
Thomas R. Duncan	Jesse H. Lawrence	Paul E. Shannon
R. C. Estep, Sr.	Mrs. J. T. Linton	Gus Sheehan, Jr.
Mitchell S. Fannin	A. L. (Chick) Love	Jesse H. Shelton
Henry C. Hale	True Mackey	Joseph T. Snapp
C. A. Hammons	William T. Marshall	John M. Spaulding
James P. Hanratty	G. Lee McClain	J. Claude Stacy
George F. Harris	Jack McPherron	Raymond D. Stigall
Paul E. Hayes	Alton Mitchell	Mrs. Thelma Stovall
John A. Head	Emmett G. Moore	W. R. Stringer
Ray Holbrook	Fred H. Morgan	Egbert V. Taylor
Woodrow W. Hollan	C. S. Nabb	Rev. T. H. Tinsley
Chester J. Holsclaw	Dr. C. E. Palmore	Ralph N. Walter
W. M. Horn	James H. Polsgrove	Fred M. Warns
Richard R. Houpt	Hobart Rayburn	Harry Lee Waterfield
Durham W. Howard	W. R. Reasor	Charles W. Wirsch
Robert N. Hubbard		-70

Those who voted in the negative were—

Edgar Arnett -1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 347. AN ACT changing the classification of the City of Hodgenville, in Larue County.

Said bill is as follows, viz:

WHEREAS, satisfactory evidence has been presented to the General Assembly that the population of the City of Hodgenville,

in Larue County, is such as to justify its being assigned to the fifth class of cities,

NOW THEREFORE:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Hodgenville, in Larue County, is transferred from the sixth class to the fifth class of cities.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Fred Beshear	Mrs. M. E. Burnett
Bill Adams	R. O. Blevins	Charles W. Burnley
Sidney Baer	L. E. Bradley	Alex Calvert
Clarence J. Barnum	Thomas L. Britton	Stanley Carter
C. E. Baumgardner	J. D. Buckman, Jr.	Paul Combs

R. Josh Cosby	Silas Jacobs	Carl J. Ruh
B. H. Crider	Paul S. Jonas	Amos Runyan
Owen Deering	Barkley Jones	Dr. Roy Sanders
Thomas R. Duncan	Jesse H. Lawrence	Paul E. Shannon
R. C. Estep, Sr.	Mrs. J. T. Linton	Gus Sheehan, Jr.
Mitchell S. Fannin	A. L. (Chick) Love	Jesse H. Shelton
Henry C. Hale	True Mackey	Joseph T. Snapp
C. A. Hammons	William T. Marshall	John M. Spaulding
James P. Hanratty	G. Lee McClain	J. Claude Stacy
George F. Harris	Jack McPherron	Raymond D. Stigall
Paul E. Hayes	Alton Mitchell	Mrs. Thelma Stovall
John A. Head	Emmett G. Moore	W. R. Stringer
Ray Holbrook	Fred H. Morgan	Egbert V. Taylor
Woodrow W. Hollan	C. S. Nabb	Rev. T. H. Tinsley
Chester J. Holsclaw	Dr. C. E. Palmore	Ralph N. Walter
W. M. Horn	James H. Polsgrove	Fred M. Warns
Richard R. Houpt	Leonard W. Preston	Harry Lee Waterfield
Durham W. Howard	Hobart Rayburn	Charles W. Wirsch
Robert N. Hubbard	W. R. Reasor	—71

There voted in the negative—

Edgar Arnett

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 379. AN ACT changing the classification of the City of Lebanon Junction, in Bullitt County.

Said bill is as follows, viz:

WHEREAS, satisfactory evidence has been presented to the General Assembly that the population of the City of Leb-

anon Junction, in Bullitt County, is sufficient to justify its being assigned to the fifth class of cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Lebanon Junction, in Bullitt County, is hereby transferred from the sixth class to the fifth class of cities.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	L. E. Bradley	Paul Combs
Bill Adams	Thomas L. Britton	R. Josh Cosby
Sidney Baer	J. D. Buckman, Jr.	B. H. Crider
Clarence J. Barnum	Mrs. M. E. Burnett	Owen Deering
C. E. Baumgardner	Charles W. Burnley	Thomas R. Duncan
Fred Beshear	Alex Calvert	R. C. Estepp, Sr.
R. O. Blevins	Stanley Carter	Mitchell S. Fannin

Henry C. Hale	Mrs. J. T. Linton	Dr. Roy Sanders
C. A. Hammons	A. L. (Chick) Love	Paul E. Shannon
James P. Hanratty	True Mackey	Gus Sheehan, Jr.
George F. Harris	William T. Marshall	Jesse H. Shelton
Paul E. Hayes	G. Lee McClain	Joseph T. Snapp
John A. Head	Jack McPherron	John M. Spaulding
Ray Holbrook	Alton Mitchell	J. Claude Stacy
Woodrow W. Hollan	Emmett G. Moore	Raymond D. Stigall
Chester J. Holsclaw	Fred H. Morgan	Mrs. Thelma Stovall
W. M. Horn	C. S. Nabb	W. R. Stringer
Richard R. Houpt	Dr. C. E. Palmore	Egbert V. Taylor
Durham W. Howard	James H. Polsgrove	Rev. T. H. Tinsley
Robert N. Hubbard	Leonard W. Preston	Ralph N. Walter
Silas Jacobs	Hobart Rayburn	Fred M. Warns
Paul S. Jonas	W. R. Reasor	Harry Lee Waterfield
Barkley Jones	Carl J. Ruh	Charles W. Wirsch
Jesse H. Lawrence	Amos Runyan	-71

There voted in the negative—

Edgar Arnett

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 314. AN ACT changing the classification of the City of Falmouth, in Pendleton County.

Said bill is as follows, viz:

WHEREAS, satisfactory evidence has been presented to the General Assembly that the population of the City of Falmouth, in Pendleton County, is such as to justify its being assigned to the fourth class of cities,

NOW THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The City of Falmouth, in Pendleton County, is changed from the fifth to the fourth class of cities.

Sec. 2. Whereas, in order to obtain the full benefit of federal aid for flood control projects, it is necessary that the City of Falmouth be reclassified at the earliest possible date, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Clarence J. Barnum	R. O. Blevins
Bill Adams	C. E. Baumgardner	L. E. Bradley
Sidney Baer	Fred Beshear	Thomas L. Britton

J. D. Buckman, Jr.	W. M. Horn	Hobart Rayburn
Mrs. M. E. Burnett	Richard R. Houpt	W. R. Reasor
Charles W. Burnley	Durham W. Howard	Carl J. Ruh
Alex Calvert	Robert N. Hubbard	Amos Runyan
Stanley Carter	Silas Jacobs	Dr. Roy Sanders
Paul Combs	Paul S. Jonas	Paul E. Shannon
R. Josh Cosby	Barkley Jones	Gus Sheehan, Jr.
B. H. Crider	Jesse H. Lawrence	Jesse H. Shelton
Owen Deering	Mrs. J. T. Linton	Joseph T. Snapp
Thomas R. Duncan	A. L. (Chick) Love	John M. Spaulding
R. C. Estep, Sr.	True Mackey	J. Claude Stacy
Mitchell S. Fannin	William T. Marshall	Raymond D. Stigall
Henry C. Hale	G. Lee McClain	Mrs. Thelma Stovall
C. A. Hammons	Jack McPherron	W. R. Stringer
James P. Hanratty	Alton Mitchell	Egbert V. Taylor
George F. Harris	Emmett G. Moore	Rev. T. H. Tinsley
Paul E. Hayes	Fred H. Morgan	Ralph N. Walter
John A. Head	C. S. Nabb	Fred M. Warns
Ray Holbrook	Dr. C. E. Palmore	Harry Lee Waterfield
Woodrow W. Hollan	James H. Polsgrove	Charles W. Wirsch
Chester J. Holsclaw		-70

Those who voted in the negative were—

Edgar Arnett	Leonard W. Preston	-2
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 433. AN ACT changing the classification of the City of Salyersville, in Magoffin County, and declaring an emergency.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Salyersville, in Magoffin County, is such as to justify its being assigned to the fourth class of cities;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The City of Salyersville, in Magoffin County, is transferred from the fifth class to the fourth class of cities.

Sec. 2. WHEREAS, the reclassification of the City of Salyersville is necessary to enable the city to finance needed improvements of its streets and sewers, all of which are essential to the public health and welfare of the state, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill

in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	C. S. Nabb
Bill Adams	Paul E. Hayes	Dr. C. E. Palmore
Sidney Baer	John A. Head	James H. Polsgrove
Clarence J. Barnum	Ray Holbrook	Hobart Rayburn
C. E. Baumgardner	Woodrow W. Hollan	W. R. Reasor
Fred Beshear	Chester J. Holsclaw	Carl J. Ruh
R. O. Blevins	W. M. Horn	Amos Runyan
L. E. Bradley	Richard R. Houpt	Dr. Roy Sanders
Thomas L. Britton	Durham W. Howard	Paul E. Shannon
J. D. Buckman, Jr.	Robert N. Hubbard	Gus Sheehan, Jr.
Mrs. M. E. Burnett	Silas Jacobs	Jesse H. Shelton
Charles W. Burnley	Paul S. Jonas	Joseph T. Snapp
Alex Calvert	Barkley Jones	John M. Spaulding
Stanley Carter	Jesse H. Lawrence	J. Claude Stacy
Paul Combs	Mrs. J. T. Linton	Raymond D. Stigall
R. Josh Cosby	A. L. (Chick) Love	Mrs. Thelma Stovall
B. H. Crider	True Mackey	W. R. Stringer
Owen Deering	William T. Marshall	Egbert V. Taylor
Thomas R. Duncan	G. Lee McClain	Rev. T. H. Tinsley
R. C. Estep, Sr.	Jack McPherron	Ralph N. Walter
Mitchell S. Fannin	Alton Mitchell	Fred M. Warns
Henry C. Hale	Emmett G. Moore	Harry L. Waterfield
C. A. Hammons	Fred H. Morgan	Charles W. Wirsch
James P. Hanratty		—70

Those who voted in the negative were—

Edgar Arnett	Leonard W. Preston	—2
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 337. AN ACT changing the classification of the City of Augusta, in Bracken County.

Said bill is as follows, viz:

WHEREAS, satisfactory evidence has been presented to the General Assembly that the population of the City of Augusta, in Bracken County, is such as to justify its being assigned to the fourth class of cities,

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Augusta, in Bracken County, is transferred from the fifth to the fourth class of cities.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	C. S. Nabb
Bill Adams	Paul E. Hayes	Dr. C. E. Palmore
Sidney Baer	John A. Head	James H. Polsgrove
Clarence J. Barnum	Ray Holbrook	Hobart Rayburn
C. E. Baumgardner	Woodrow W. Hollan	W. R. Reasor
Fred Beshear	Chester J. Holsclaw	Carl J. Ruh
R. O. Blevins	W. M. Horn	Amos Runyan
L. E. Bradley	Richard R. Houpt	Dr. Roy Sanders
Thomas L. Britton	Durham W. Howard	Paul E. Shannon
J. D. Buckman, Jr.	Robert N. Hubbard	Gus Sheehan, Jr.
Mrs. M. E. Burnett	Silas Jacobs	Jesse H. Shelton
Charles W. Burnley	Paul S. Jonas	Joseph T. Snapp
Alex Calvert	Barkley Jones	John M. Spaulding
Stanley Carter	Jesse H. Lawrence	J. Claude Stacy
Paul Combs	Mrs. J. T. Linton	Raymond D. Stigall
R. Josh Cosby	A. L. (Chick) Love	Mrs. Thelma Stovall
B. H. Crider	True Mackey	W. R. Stringer
Owen Deering	William T. Marshall	Egbert V. Taylor
Thomas R. Duncan	G. Lee McClain	Rev. T. H. Tinsley
R. C. Estep, Sr.	Jack McPherron	Ralph N. Walter
Mitchell S. Fannin	Alton Mitchell	Fred M. Warns
Henry C. Hale	Emmett G. Moore	Harry Lee Waterfield
C. A. Hammons	Fred H. Morgan	Charles W. Wirsch
James P. Hanratty		—70

Those who voted in the negative were—

Edgar Arnett	Leonard W. Preston	—2
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 439. AN ACT changing the classification of the City of Vanceburg, in Lewis County.

Said bill is as follows, viz:

WHEREAS, satisfactory evidence has been presented to the General Assembly that the population of the city of Vanceburg, in Lewis County, is such as to justify its being assigned to the fourth class of cities;

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The city of Vanecburg, in Lewis County, is changed from the fifth class to the fourth class of cities.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	C. E. Baumgardner	Thomas L. Britton
Bill Adams	Fred Beshear	J. D. Buckman, Jr.
Sidney Baer	R. O. Blevins	Mrs. M. E. Burnett
Clarence J. Barnum	L. E. Bradley	Charles W. Burnley

Alex Calvert	Durham W. Howard	W. R. Reasor
Stanley Carter	Robert N. Hubbard	Carl J. Ruh
Paul Combs	Silas Jacobs	Amos Runyan
R. Josh Cosby	Paul S. Jonas	Dr. Roy Sanders
B. H. Crider	Barkley Jones	Paul E. Shannon
Owen Deering	Jesse H. Lawrence	Gus Sheehan, Jr.
Thomas R. Duncan	Mrs. J. T. Linton	Jesse H. Shelton
R. C. Estep, Sr.	A. L. (Chick) Love	Joseph T. Snapp
Mitchell S. Fannin	True Mackey	John M. Spaulding
Henry C. Hale	William T. Marshall	J. Claude Stacy
C. A. Hammons	G. Lee McClain	Raymond D. Stigall
James P. Hanratty	Jack McPherron	Mrs. Thelma Stovall
George F. Harris	Alton Mitchell	W. R. Stringer
Paul E. Hayes	Emmett G. Moore	Egbert V. Taylor
John A. Head	Fred H. Morgan	Rev. T. H. Tinsley
Ray Holbrook	C. S. Nabb	Ralph N. Walter
Woodrow W. Hollan	Dr. C. E. Palmore	Fred M. Warns
Chester J. Holsclaw	James H. Polsgrove	Harry Lee Waterfield
W. M. Horn	Hobart Rayburn	Charles W. Wirsch
Richard R. Houpt		—70

Those who voted in the negative were—

Edgar Arnett	Leonard W. Preston	—2
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 420. AN ACT relating to the qualifications and licensing of dentists.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. An applicant for a license to practice dentistry shall be of good moral character and at least twenty-one years of age at the time of making the application. The application shall be accompanied by evidence satisfactory to the board that the applicant is a graduate of, and has a diploma from a reputable dental college, school or department of a reputable university, rated as acceptable by the board. The board shall rate dental colleges, schools or departments of a university, or accept the ratings issued by accredited bodies approved by it. The application shall be made to the board in writing. It shall be accompanied by an examination fee of forty dollars, payable to the secretary-treasurer. Except that any person who has successfully completed at least two years of the required course of study in a dental college, and who has practiced dentistry for a period of more than forty years, upon application to the State Board of Dental Examiners, and the payment to the Board of a fee of forty dollars, shall be entitled to a license to practice dentistry in this Commonwealth, and the Board shall issue to such applicant a license on the standard form used and approved by the Board, signed by its President and Secretary and authenticated by the seal of the Board, which license shall be registered with the county clerk of each county in which he desires to practice, as is provided for in KRS 313.110.

Sec. 2. No person shall file, or attempt to file as his own the diploma or license of another, or a forged affidavit of identification or qualification.

Sec. 3. Section 313.040 of the Kentucky Revised Statutes is hereby repealed.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to

the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	C. S. Nabb
Bill Adams	Paul E. Hayes	James H. Polsgrove
Sidney Baer	William K. Henry	Leonard W. Preston
Clarence J. Barnum	Ray Holbrook	W. R. Reasor
C. E. Baumgardner	Woodrow W. Hollan	Carl J. Ruh
John D. Beatty	W. M. Horn	Amos Runyan
Fred Beshear	Richard R. Houpt	LeRoy Saylor
L. E. Bradley	Maurice G. Howard	Roy Searcy
Thomas L. Britton	Robert N. Hubbard	Paul E. Shannon
J. D. Buckman, Jr.	Silas Jacobs	Gus Sheehan, Jr.
Charles W. Burnley	Paul S. Jonas	Jesse H. Shelton
Alex Calvert	Barkley Jones	John M. Spaulding
Stanley Carter	Jesse H. Lawrence	Roy Steers
Paul Combs	Mrs. J. T. Linton	Raymond D. Stigall
R. Josh Cosby	Homer E. Losey	Mrs. Thelma Stovall
B. H. Crider	A. L. (Chick) Love	W. R. Stringer
Owen Deering	True Mackey	Egbert V. Taylor
Thomas R. Duncan	William T. Marshall	Rev. T. H. Tinsley
R. C. Estep, Sr.	Jack McPherron	Ralph N. Walter
Mitchell S. Fannin	Archie R. Moore	Fred M. Warns
Henry C. Hale	Emmett G. Moore	Harry Lee Waterfield
James P. Hanratty	Fred H. Morgan	Charles W. Wirsch

—66

Those who voted in the negative were—

Edgar Arnett	C. A. Hammons	Durham W. Howard
R. O. Blevins	Harold G. Helm	

—5

Resolved that the title thereof be as aforesaid.

Mr. Harris moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 383. AN ACT relating to payment of money to persons under a disability, amending Section 387.280 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 387.280 of the Kentucky Revised Statutes is amended to read as follows:

Whenever a person under disability having no guardian or committee is entitled to receive a sum not exceeding five hundred dollars, exclusive of interest, in any action wherein real estate has been sold or in the settlement of any estate or from any other source, the court in which the action is pending, or, if the sum does not derive from such action, the county court, may order the sum to be paid to the person having custody of such ward. Before entering the order, the court shall be satisfied by affidavit or oral testimony that the ward is in the custody of the person to whom it is proposed to pay the money, and the latter, upon withdrawal of the money, shall be under obligation as trustee to expend it for support, maintenance or education of the ward. When the order is made no bond shall be required of the person having custody of the ward and the purchaser of the real property may pay the share into court, and no lien shall remain on the property therefor and the money may be withdrawn by the person mentioned in the order without his giving

bond. A release executed by the person to whom the court has ordered the sum paid shall have the same effect as a release by a duly appointed guardian or committee.

Mr. Carter moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Stanley Carter	William K. Henry
Bill Adams	Paul Combs	E. R. Hilton
Edgar Arnett	R. Josh Cosby	Ray Holbrook
Sidney Baer	B. H. Crider	Woodrow W. Hollan
Clarence J. Barnum	Owen Deering	W. M. Horn
C. E. Baumgardner	Thomas R. Duncan	Durham W. Howard
John D. Beatty	R. C. Estep, Sr.	Maurice G. Howard
L. E. Bradley	Henry C. Hale	Robert N. Hubbard
Thomas L. Britton	James P. Hanratty	Silas Jacobs
J. D. Buckman, Jr.	Paul E. Hayes	Paul S. Jonas
Mrs. M. E. Burnett	John A. Head	Barkley Jones
Charles W. Burnley	Harold G. Helm	Jesse H. Lawrence

Mrs. J. T. Linton	Dr. C. E. Palmore	Jesse H. Shelton
Homer E. Losey	Leonard W. Preston	Roy Steers
A. L. (Chick) Love	Hobart Rayburn	Raymond D. Stigall
Harry K. Lowman	W. R. Reasor	Mrs. Thelma Stovall
William T. Marshall	Carl J. Ruh	W. R. Stringer
G. Lee McClain	Amos Runyan	Rev. T. H. Tinsley
Jack McPherron	Dr. Roy Sanders	Ralph N. Walter
Archie R. Moore	Roy Searcy	Fred M. Warns
Fred H. Morgan	Paul E. Shannon	Harry Lee Waterfield
C. S. Nabb	Gus Sheehan, Jr.	Charles W. Wirsch

-66

Resolved that the title thereof be as aforesaid.

Mr. Carter moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 285. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 131.185 of the Kentucky Revised Statutes is amended to read as follows:

Income tax returns shall be kept for seven years; primary accounting records of tax payments, seven years; and records containing all data of motor vehicle registration, seven years. Records of the department which are not required by this section or other statutory provisions to be preserved for a fixed period may be kept or disposed of according to the discretion of the department.

Messrs. Hayes and Henry offered the following amendment to said bill, viz:

Amend printed copy of H. B. No. 285, on page 1, section 1, line 5, to read "three years" instead of "seven years".

Said amendment to said bill was agreed to.

Mr. Hayes moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill be read for the third time by its title only, and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Alex Calvert	George F. Harris
Bill Adams	Stanley Carter	Paul E. Hayes
Edgar Arnett	Paul Combs	Harold G. Helm
Sidney Baer	R. Josh Cosby	William K. Henry
Clarence J. Barnum	Owen Deering	E. R. Hilton
C. E. Baumgardner	Thomas R. Duncan	Ray Holbrook
Fred Beshear	R. C. Estepp, Sr.	Woodrow W. Hollan
R. O. Blevins	Mitchell S. Fannin	W. M. Horn
J. D. Buckman, Jr.	Henry C. Hale	Richard R. Houpt
Charles W. Burnley	James P. Hanratty	Durham W. Howard

Maurice G. Howard	Alton Mitchell	Gus Sheehan, Jr.
Robert N. Hubbard	Emmett G. Moore	Jesse H. Shelton
Paul S. Jonas	Fred H. Morgan	Joseph T. Snapp
Barkley Jones	C. S. Nabb	John M. Spaulding
Jesse H. Lawrence	Dr. C. E. Palmore	Roy Steers
Mrs. J. T. Linton	Hobart Rayburn	Raymond D. Stigall
Homer E. Losey	W. R. Reasor	Mrs. Thelma Stovall
A. L. (Chick) Love	Carl J. Ruh	W. R. Stringer
Harry K. Lowman	Amos Runyan	Rev. T. H. Tinsley
True Mackey	Dr. Roy Sanders	Ralph N. Walter
William T. Marshall	Roy Searcy	Charles W. Wirsch
Jack McPherron	Paul E. Shannon	-77

Resolved that the title thereof be as aforesaid.

Mr. Hayes moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

S. B. No. 170. AN ACT relating to judicial districts; creating an additional district and making changes in the apportionment of counties to the Tenth Judicial District in order to comply with the meaning and intent of the Constitution with respect to the division of the state into judicial districts; providing for continuation in office of the present circuit judges and Commonwealth's attorneys and creating the offices of circuit judge and Commonwealth's attorney for the new district established by this Act; and providing for the holding of court in each district affected by this Act.

Said bill is as follows, viz:

WHEREAS, the General Assembly has given due regard to the elements of territory, business and population involved in the division of the state into judicial districts; and

WHEREAS, with such due regard, the General Assembly has found the following facts to exist:

(1) That the entire population of the state as of the last preceding Federal census, is 2,845,627.

(2) That upon the basis of such population, additional judicial districts may be established to those now existing, pursuant to Sections 128 and 132 of the Constitution.

(3) That it will be convenient and advantageous from the standpoint of territory, and will comply with the spirit and intent of the Constitution with respect to population and expedite the business of the courts in the counties involved, to create a new judicial district to consist of the Counties of Barren and Metcalf, and to change the Tenth Judicial District so it consist of the Counties of Bullitt, Hart, LaRue and Nelson.

NOW THEREFORE:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Tenth Judicial District shall hereafter be composed of the Counties of Bullitt, Hart, LaRue and Nelson.

Sec. 2. A new judicial district is established to be numbered the Forty-third Judicial District and to consist of the Counties of Barren and Metcalf.

Sec. 3. The present circuit judge and Commonwealth's attorney for the Tenth Judicial District, as now constituted, shall retain their respective offices, for the terms for which they were elected, for the said district as it has been changed under this Act, provided that the Circuit Judge, being a resident of LaRue County, shall be allowed to retain his office as judge of the Tenth Judicial District for the term for which he was elected and provided that the Commonwealth's Attorney, being a resident of Barren County, shall be allowed to retain the office of Commonwealth's Attorney for the Forty-third District for the period of time for which he was elected.

Sec. 4. The office of circuit judge and Commonwealth's Attorney for the new judicial district established by this Act,

being the Forty-third Judicial District, are hereby created. Until the regular election for circuit judge and Commonwealth's attorney in 1951, the office of circuit judge in the Forty-third Judicial District and the office of Commonwealth's Attorney in the Tenth Judicial District shall be filled as provided in Section 152 of the Constitution for offices in which there is a vacancy.

Sec. 5. The regular term of each court in the judicial districts dealt with by this Act shall commence in each county at the following named times, and continue, if the business requires it, the number of days hereinafter prescribed.

Tenth District. Hart County, at Munfordville, on the first Monday in September and the first Monday in January, 18 juridical days each; and on the first Monday in April, 12 juridical days.

LaRue County, at Hodgenville, on the fourth Monday in April, the first Monday in October, and the first Monday in February, 12 juridical days each.

Nelson County, at Bardstown, on the second Monday in May and the fourth Monday in October, 18 juridical days each; and on the third Monday in February, 12 juridical days.

Bullitt County, at Shepherdsville, on the fourth Monday in November and the first Monday in March, 12 juridical days each; and on the fourth Monday in June, 18 juridical days.

Forty-third District. Barren County, at Glasgow, on the second Monday in January, thirty juridical days; on the first Monday in April and the second Monday in September, thirty juridical days each.

Metcalf County, at Edmonton, on the first Monday in March, eighteen juridical days; on the second Monday in July and the first Monday in November, eighteen juridical days each.

Sec. 6. This Act shall take effect on June 25, 1950.

Mr. Hubbard moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Henry C. Hale	Harry K. Lowman
Bill Adams	James P. Hanratty	True Mackey
Edgar Arnett	Paul E. Hayes	G. Lee McClain
Sidney Baer	John A. Head	Archie R. Moore
Clarence J. Barnum	Harold G. Helm	Emmett G. Moore
C. E. Baumgardner	William K. Henry	Fred H. Morgan
John D. Beatty	E. R. Hilton	C. S. Nabb
Fred Beshear	Ray Holbrook	Dr. C. E. Palmore
R. O. Blevins	Woodrow W. Hollan	James H. Polsgrove
Thomas L. Britton	W. M. Horn	Leonard W. Preston
J. D. Buckman, Jr.	Richard R. Houpt	Hobart Rayburn
Charles W. Burnley	Durham W. Howard	W. R. Reasor
Alex Calvert	Maurice G. Howard	Carl J. Ruh
Stanley Carter	Robert N. Hubbard	Amos Runyan
Paul Combs	Silas Jacobs	Dr. Roy Sanders
R. Josh Cosby	Paul S. Jonas	Paul E. Shannon
Thomas R. Duncan	Jesse H. Lawrence	Gus Sheehan, Jr.
Mitchell S. Fannin	Mrs. J. T. Linton	Jesse H. Shelton

Forest Smith	Raymond D. Stigall	Ralph N. Walter
Joseph T. Snapp	Mrs. Thelma Stovall	Fred M. Warns
John M. Spaulding	W. R. Stringer	Harry Lee Waterfield
Roy Steers	Rev. T. H. Tinsley	Charles W. Wirsch

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Those who voted in the negative were—

L. E. Bradley	Homer E. Losey	William T. Marshall
C. A. Hammons	A. L. (Chick) Love	J. Claude Stacy

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Resolved that the title thereof be as aforesaid.

Mr. Preston moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

A message was received from the Senate announcing that they had passed a bill which originated in this body of the following title, viz:

H. B. No. 24. AN ACT relating to deadly weapons.

With amendments thereto as proposed and adopted by the Senate.

(For bill see H.J. of February 15, 1950, ante.)

Said amendments to said bill as proposed and adopted by the Senate are as follows, viz: :

Amendment No. 1. Amend page 1 by striking therefrom lines 6 through 9, and inserting in lieu thereof the following:

“weapon, other than an ordinary pocket knife, to a minor, shall, for the first offense be fined not less than ten dollars nor more than five hundred dollars, or imprisoned in the county jail for not less than ten days nor more than six months, or both, except that if the person has been convicted previously of any felony he shall be confined in the penitentiary for not less than two years nor more than five years. For the second and each

subsequent conviction under this section the penaltw shall be imprisonment in the penitentiary for not less than two years nor more than five years."

Amendment No. 2. Amend page 2 by adding at the end of the bill the following:

"(3) Any circuit judge may issue a permit to any reputable bona fide registered voter of Kentucky, whose reliability and character are attested to by two reputable citizens known personally by the judge, to carry concealed a firearm, upon the payment of a fee of ten dollars per annum. The permit shall be nontransferable and a copy thereof shall be in the possession of the holder at all times at which he is carrying concealed a firearm. The permit may be permanently revoked by the circuit judge at any time upon a showing of an unlawful use of the firearm or a transfer of or attempt to transfer the permit. The fee for the permit shall be paid to the circuit court Clerk to supplement funds received from the state for payment to jurors."

Mr. Hanratty moved that the House do now concur in said amendments to said bill as proposed and adopted by the Senate.

Said motion was agreed to.

And thereupon said amendments to said bill as proposed and adopted by the Senate were each and severally agreed to.

Said bill was then passed as amended.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Thomas L. Britton	Thomas R. Duncan
Bill Adams	J. D. Buckman, Jr.	R. C. Estepp, Sr.
Edgar Arnett	Charles W. Burnley	C. A. Hammons
Sidney Baer	Alex Calvert	George F. Harris
Clarence J. Barnum	Stanley Carter	Paul E. Hayes
C. E. Baumgardner	Paul Combs	John A. Head
Fred Beshear	R. Josh Cosby	Harold G. Helm

William K. Henry	A. L. (Chick) Love	Paul E. Shannon
E. R. Hilton	Harry K. Lowman	Gus Sheehan, Jr.
Woodrow W. Hollan	G. Lee McClain	Forest Smith
W. M. Horn	Jack McPherron	Joseph T. Snapp
Richard R. Houpt	Emmett G. Moore	Roy Steers
Durham W. Howard	Fred H. Morgan	Raymond D. Stigall
Maurice G. Howard	C. S. Nabb	Mrs. Thelma Stovall
Robert N. Hubbard	James H. Polsgrove	W. R. Stringer
Silas Jacobs	Leonard W. Preston	Rev. T. H. Tinsley
Paul S. Jonas	W. R. Reasor	Ralph N. Walter
Barkley Jones	Carl J. Ruh	Fred M. Warns
Jesse H. Lawrence	Amos Runyan	Harry Lee Waterfield
Mrs. J. T. Linton	Dr. Roy Sanders	Charles W. Wirsch
Homer E. Losey	Roy Searcy	—62

Those who voted in the negative were—

John D. Beatty	Dr. C. E. Palmore	Morris Weintraub
Alton Mitchell		—4

Ordered that said bill be delivered to the Enrolling Clerk of this House.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 284. AN ACT relating to Revenue and Taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 132.530 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county tax commissioner shall prepare the property tax rolls in legible form, according to taxing districts therein. He shall make additions to each column, to show the aggregate amount, value and number of each column in the tax rolls, and prove the accuracy before he returns the same.

(2) Personal property of every kind shall be separately stated and valued in the appropriate column of the tax roll, and if there is no appropriate column it shall be valued and stated in the column headed "Miscellany."

Section 2. Section 136.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) The individual stockholders of a corporation shall not be required to list their shares for ad valorem taxation so long as the corporation pays taxes to the State of Kentucky on at least seventy-five percent of its total property, wherever located, provided, however, that bonds and obligations of the United States of America and its possessions and bonds and obligations of the State of Kentucky, its instrumentalities and its political subdivisions and their instrumentalities shall not be considered in the computation of the total property of the corporation, wherever located, nor in the computation of the amount of property upon which the corporation pays ad valorem taxes to the State of Kentucky. In order to obtain this exemption the stockholder must furnish satisfactory proof to the Department of Revenue that at least seventy-five percent of the total property of the corporation as hereinabove specified is taxed in the State of Kentucky.

(2) Every corporation organized under the laws of this state, or doing business in this state, whose stock is liable to assessment and taxation under subsection (1) of this section, except banks, trust companies, or combined banks and trust companies doing business in this state and domestic life insurance companies, shall be February 1 of each year make a true and correct report to the Department of Revenue, verified by its president, secretary, treasurer or other chief officer, giving the names and addresses of residents of this state who hold its shares of stock and outstanding bonds as of January 1 previous thereto, and also the transfer of any of its stocks or bonds by residents of this state to nonresidents within thirty days previous to January 1.

Mr. Hayes offered the following amendment to said bill, viz:

Amend printed copy of H. B. No. 284, on page 2, section 2, line 23, by striking the words "be February 1" and inserting in lieu thereof the words "by March 15"

Said amendment to said bill was agreed to.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Richard R. Hout	Amos Runyan
Edgar Arnett	Maurice G. Howard	Dr. Roy Sanders
Sidney Baer	Robert N. Hubbard	Roy Searcy
Clarence J. Barnum	Silas Jacobs	Paul E. Shannon
C. E. Baumgardner	Paul S. Jonas	Gus Sheehan, Jr.
Fred Beshear	Barkley Jones	Forest Smith
L. E. Bradley	Jesse H. Lawrence	Joseph T. Snapp
Charles W. Burnley	Mrs. J. T. Linton	John M. Spaulding
Alex Calvert	Harry K. Lowman	J. Claude Stacy
Stanley Carter	Jack McPherron	Roy Steers
Paul Combs	Archie R. Moore	Raymond D. Stigall
R. Josh Cosby	Fred H. Morgan	Mrs. Thelma Stovall
Thomas R. Duncan	C. S. Nabb	W. R. Stringer
Henry C. Hale	Dr. C. E. Palmore	Rev. T. H. Tinsley
James P. Hanratty	James H. Polsgrove	Ralph N. Walter
George F. Harris	Leonard W. Preston	Fred M. Warns
Paul E. Hayes	Hobart Rayburn	Harry Lee Waterfield
John A. Head	W. R. Reasor	Morris Weintraub
William K. Henry	Carl J. Ruh	Charles W. Wirsch

Those who voted in the negative were—

R. O. Blevins	Harold G. Helm	Homer E. Losey
Thomas L. Britton	Woodrow W. Hollan	A. L. (Chick) Love
R. C. Estepp, Sr.	Durham W. Howard	Emmett G. Moore
C. A. Hammons		—10

Resolved that the title thereof be as aforesaid.

Mr. Hayes moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 248. AN ACT to amend Section 95.495 of the Kentucky Revised Statutes; pertaining to the hours of work and annual leave for members of police departments, cities of second class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 95.495 of the Kentucky Revised Statutes is amended to read as follows:

In all cities of the second class within the Commonwealth of Kentucky, except those in which, by referendum ordinance, the patrolmen are employed or paid by the day, the members of the police department shall not be required to work more than eight hours per day, for five days each week, except in the event of an emergency.

Each member of the police department in such cities of the second class shall have an annual leave of fifteen days with full pay.

The salary of the members of the police department shall not be reduced by reason of the foregoing.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were:

Bernam Adams	R. Josh Cosby	Durham W. Howard
Bill Adams	Owen Deering	Maurice G. Howard
Sidney Baer	Thomas R. Duncan	Robert N. Hubbard
Clarence J. Barnum	R. C. Estep, Sr.	Silas Jacobs
C. E. Baumgardner	C. A. Hammons	Paul S. Jonas
John D. Beatty	James P. Hanratty	Barkley Jones
Fred Beshear	George F. Harris	Jesse H. Lawrence
R. O. Blevins	Paul E. Hayes	Mrs. J. T. Linton
Thomas L. Britton	Harold G. Helm	A. L. (Chick) Love
Charles W. Burnley	William K. Henry	True Mackey
Alex Calvert	E. R. Hilton	Jack McPherron
Stanley Carter	Woodrow W. Hollan	Alton Mitchell
Paul Combs	Richard R. Houpt	Emmett G. Moore

Fred H. Morgan	Dr. Roy Sanders	Raymond D. Stigall
C. S. Nabb	Roy Searcy	Rev. T. H. Tinsley
Dr. C. E. Palmore	Paul E. Shannon	Ralph N. Walter
James H. Polsgrove	Gus Sheehan, Jr.	Fred M. Warns
Carl J. Ruh	Forest Smith	Morris Weintraub
Amos Runyan	Roy Steers	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the rules be suspended for the purpose of introducing bills and resolutions.

Said motion was agreed to by a majority of the members elected.

Thereupon, bills and resolutions of the following titles were introduced, viz:

By Mr. Fannin.

H. B. No. 471. AN ACT relating to compressed or liquefied gas.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act, unless the context requires other wise:

(1) The term "liquefied petroleum gas" means and includes any material which is composed predominantly of any of the following hydrocarbons, or mixtures of them, whether in the liquid or in the gaseous state: propane, propylene, butane (normal butane or isobutane), and butylene.

(2) The term "gas," or "compressed or liquefied gas" means and includes any flammable compressed or liquefied gas, other than acetylene, including liquefied petroleum gases as defined in subsection (1) of this section.

(3) The term "approved containers" means and includes all vessels such as tanks, cylinders, or drums, used for the transportation or storing of compressed or liquefied gases as defined and regulated herein, and which conform to the Kentucky Commerce Regulations (I.C.C.).

(4) The term "systems" means an assembly of equipment consisting essentially of the container or containers, major devices and appurtenances such as vaporizers, carburetors, relief valves, excess flow valves, and regulators, together with necessary interconnecting piping, but not including gas-consuming appliances and their connections.

Sec. 2. No person (a) shall transport, in any manner, any compressed or liquefied gasses in other than approved containers, nor (b) engage in the business of installing or servicing, or (c) actually install or service, liquefied petroleum gas systems without first obtaining a permit therefor. A separate permit must be obtained in order to engage in either of the practices set out in this section.

Sec. 3. The permit provided for in Section 2 of this Act shall be obtained from the Director of Insurance on the filing of an application in writing therewith. The permit shall be issued pursuant to such other reasonable rules and regulations as the Director of Insurance may promulgate, after a public hearing.

Sec. 4. The Director of Insurance, after a public hearing thereon, shall make, promulgate and enforce regulations setting forth minimum general standards covering the design, construction, location, installation and operation of equipment for storing, handling, transporting by tank truck, tank trailer, and utilizing liquefied petroleum gases, and specifying the odorization of said gases and the degree thereof. Said regulators shall be such as are reasonably necessary for the protection of the health,

welfare and safety of the public and persons using such materials, and shall be in substantial conformity with the generally accepted standards of safety concerning the same subject matter.

Sec. 5. It is hereby declared that regulations in substantial conformity with the published standards of the National Board of Fire Underwriters for the design, installation and construction of containers and pertinent equipment for the storage and handling of liquefied petroleum gases as recommended by the National Fire Protection Association shall be deemed to be in substantial conformity with the generally accepted standards of safety concerning the same subject matter.

Sec. 6. After having been given notice to cease and desist and ten days time in which to correct the violation, any person who continues to violate any of the provisions of this Act, or any of the rules and regulations promulgated hereunder, shall be fined not less than one hundred dollars nor more than five hundred dollars.

By Mr. Hanratty.

H. B. No. 472. AN ACT appropriating money out of the General Expenditure Fund in the State Treasury for the fiscal year ending June 30, 1950, for the purpose of paying certain claims which have been audited and approved according to law and which have not been paid because of the lapsing of former appropriations against which such claims were chargeable.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is hereby appropriated out of the General Expenditure Fund in the State Treasury, for the fiscal year ending June 30, 1950, to the following named departments, agencies, institutions and commissions of the State Government, for the purpose of compensating the persons herein named for

claims which have been duly audited and approved according to law but which have not been paid because of the lapsing of former appropriations against which said claims were chargeable, the sums hereinafter specified:

1. To the Adjutant General, to pay the claim of:
Robert W. McMeekin, Lexington, Kentucky--\$ 3,949.07
2. To the Alcoholic Beverage Control Board, to pay the claims of:
George C. Fetter Company, Louisville, Kentucky ----- 88.85
George G. Fetter Company, Louisville, Kentucky ----- 86.20
3. To the Department of Education:
A. Kentucky State College, to pay the claim of:
Peden Motor Company, Frankfort, Kentucky-- 434.09
B. Lincoln Institute, to pay the claims of:
The H. W. Wilson Company, New York, N. Y. 4.80
Steele-Weddes Company, Chicago, Illinois-- 121.00
The Miami Margarine Company, Cincinnati, Ohio ----- 39.36
School Service Bureau, Stillwater, Oklahoma-- 130.75
4. To the Department of Finance, to pay the claims of:
Office Equipment Company, Louisville, Kentucky ----- 146.00
First National Bank of Adairville, Adairville, Kentucky ----- 15.00
George E. DeLong, Lexington, Kentucky---- 27.00
Graybar Electric Company, Louisville, Kentucky ----- 892.00
American-Marsh Pumps, Inc., Battle Creek, Michigan ----- 62.27
Graft-Pelle Company, Louisville, Kentucky-- 22.22
5. To the Division of Forestry, to pay the claims of:
General Services Administration, Cincinnati, Ohio ----- 61.89

6. To the Department of Insurance, to pay the claims of:

Graybar Electric Company, Inc., Louisville, Kentucky -----	186.50
Will Corporation, Rochester, New York-----	325.35
The Harshaw Scientific Division, Cincinnati, Ohio -----	42.50
Perry Publishing Company, Frankfort, Kentucky -----	1,835.43
Remington Rand Inc., Louisville-----	8,161.26
7. To the Department of Mines and Minerals, to pay the claim of:

E. H. Sargent and Company, Chicago, Illinois	672.00
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8. To State Parks, to pay the claims of:

Brown Electric Shop, London, Kentucky----	163.70
Askew Lumber Company, Dawson Springs, Kentucky -----	1,678.30
9. To the Department of Revenue, to pay the claim of:

The Kentucky Post, Covington, Kentucky-----	70.56
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10. To the State Soil Conservation Commission, to pay the claim of:

Leigh Harris, Henderson, Kentucky-----	25.50
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11. To the State Treasurer, to pay the claims of:

The Todd Company, Rochester, New York--	1,855.00
The Mosler Lock Company, Covington, Kentucky -----	65.00
Squire Reed, Hensley, Kentucky-----	25.00
12. To the Department of Welfare, to pay the claims of:

The Kelley Koett Manufacturing Company, Covington, Kentucky -----	9.64
McMaster-Carr Supply Company, Chicago, Illinois -----	90.42
Singer Sewing Machine Company, Cincinnati, Ohio -----	320.55

Tafel Electric and Supply Company, Louisville, Kentucky -----	471.68
Standard Oil Company, Louisville, Kentucky -----	638.93
John W. Boardman, Paris, Kentucky -----	18.10
Jefferson Island Salt Company, Louisville, Kentucky -----	25.00
W. T. Sistrunk and Company, Lexington, Kentucky -----	862.61
Cavanaugh and Furgerson, Dawson Springs, Kentucky -----	3,802.84
Eastman Kodak Stores, Inc., Cincinnati, Ohio -----	31.16
Citizens Telephone Company, Inc., Cincinnati, Ohio -----	10.50
Citizens Telephone Company, Inc., Cincinnati, Ohio -----	8.30
Bert Finzer, Louisville, Kentucky -----	93.75
W. T. Sistrunk and Company, Lexington, Kentucky -----	186.63
Neill-LaVielle Supply Company, Louisville, Kentucky -----	4.38
Acme Chemical Company, Milwaukee, Wisconsin -----	20.25
General Electric Supply Corporation, Louisville, Kentucky -----	1.63
General Electric Supply Corporation, Louisville, Kentucky -----	125.31
General Electric Supply Corporation, Louisville, Kentucky -----	23.50
General Electric Supply Corporation, Louisville, Kentucky -----	7.30
General Electric Supply Corporation, Louisville, Kentucky -----	32.37
Swift and Company, Evansville, Indiana -----	92.63
Neill-LaVielle Supply Company, Louisville, Kentucky -----	26.00
Red Star Yeast and Products Company, Milwaukee, Wisconsin -----	21.00
M. L. Myers, Stanford, Kentucky -----	29.95
Herbert Sims, Harrodsburg, Kentucky -----	16.20

Earl Jenkins, Cynthiana, Kentucky-----	28.70
Ted L. Gearbart, Catlettsburg, Kentucky-----	6.85
Kosmos Portland Cement Company, Louisville, Kentucky -----	717.40

Section 2. The persons above named, having in good faith furnished the services, supplies and materials indicated in Section 1 and the Commonwealth having received the benefits of same, an emergency is declared to exist and this act shall take effect upon its passage and approval by the Governor.

By Messrs. Sheehan and Ruh.

H. B. No. 473. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Subsection (1) of Section 132.230 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every person listing his property with the county tax commissioner shall state his address and the following:

(a) Each separate tract of land, with the number of acres in each tract; the value per acre; each of the improvements thereon; the name of the nearest resident thereto; where located; giving the election precinct in which it is located; the number of each city lot and the improvements thereon, in what city, on which street, the value of each, and the value of the improvements thereon to the extent that they enhance the value of each lot; whether there is any land adjoining his owned by a nonresident of the county or state, giving the name and place of residence of any such owner, if known;

(b) The number of livestock, their type, species and value;

(c) All other property including the number, denomination of fair cash value of all bonds subject to taxation owned

by him with the value thereof on January 1 of the year for which the assessment is made, unless otherwise provided by law; and

(d) Such other facts as may be required in the blanks provided.

Sec. 2. Subsection (1) of Section 132.530 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county tax commissioner shall prepare the property tax rolls in a fair, legible handwriting, in alphabetical order, and showing the taxpayer's address, according to justices' districts and incorporated cities and taxing districts therein. He shall make additions to each column, to show the aggregate amount, value and number of each column in the tax rolls, and prove the accuracy before he returns the same.

Sec. 3. Section 133.220 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Revenue annually shall furnish to each county clerk tax bill forms designed for adequate accounting control sufficient to cover the taxable property on the rolls. These tax bill forms shall be furnished not later than ten days after the Kentucky Tax Commission has rendered its certification. The county annually shall furnish the county clerk with sufficient tax bill forms for his use in the preparation of tax bills for all taxpayers who are liable for a poll tax and who own no property assessed for taxation.

(2) After receiving the forms the county clerk shall make out for the use of the sheriff or collector a correct tax bill for each taxpayer in the county whose property has been assessed and whose valuation is included in the certification provided in KRS 133.180. If the bills are bound the cost of binding shall be paid out of the county levy. Each tax bill shall show the rate of tax upon each one hundred dollars worth of property for state, county and school purposes; the name and address of the taxpayer; the number of acres of farm land and its value; the number of lots and their value; the amount and value of notes and money; the value of mixed personal property; the

county poll; the school poll; the school tax; and the total amount of taxes due to the state, county, school fund and other levies. The county clerk shall attest each bill by signing it officially. Provision shall be made for the sheriff to have a stub, duplicate or other proper evidence of payment of each tax bill.

(3) Tax bills prepared in accordance with the certification of the Kentucky Tax Commission shall be delivered to the sheriff or collector by the county clerk before September 15 of each year. The clerk shall take a receipt showing the number of tax bills and the total amount of tax due each taxing district as shown upon the tax bills. The receipt shall be signed and acknowledged by the sheriff or collector before the county clerk, filed in the county court, and recorded in the order book of the county court in the manner required by law for recording the official bond of the sheriff.

(4) The sheriff shall, on or before October 15 of each year, mail to the taxpayer at the address listed on the tax bill a notice of the amount of his taxes and the date upon which such taxes become delinquent.

By Mr. Smith.

H. B. No. 474. AN ACT proposing a constitutional amendment to allow the state to furnish free textbooks to sectarian or denominational schools in certain instances, and enacting a statutory provision providing such free textbooks if the proposed amendment is adopted.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Constitution of the Commonwealth of Kentucky is hereby proposed to be amended by amending Section 189 to read as follows:

No portion of any fund or tax now existing, or that may hereafter be raised or levied for educational purposes, shall be

appropriated to, or used by, or in aid of, any church or sectarian or denominational school, except that the state may furnish to sectarian or denominational schools, on the same basis and to the same extent as to the public common schools, free textbooks, provided that the sectarian or denominational schools choose to use the same textbooks that are selected for use by the public common schools.

Sec. 2. The above amendment shall be submitted to the voters at the time and in the manner provided for under Sections 256 and 257 of the Constitution and Section 118.430 of the Kentucky Revised Statutes.

Sec. 3. A new section of the Kentucky Revised Statutes is created to read as follows:

All sectarian or denominational schools shall be furnished free textbooks on the same basis and to the same extent that free textbooks are furnished to the public common schools, provided that the sectarian or denominational schools choose to use the same textbooks that are selected for use by the public common schools.

Sec. 4. Section 3 of this Act shall become effective only if the amendment to the Constitution provided in Section 1 of this Act is adopted.

By Mr. Barkley Jones.

H. B. No. 475. AN ACT relating to the taxation of pari-mutuel betting.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. An excise tax is imposed on every person, corporation or association which operates a running or trotting horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax shall be an amount equal to

three percent of all money deposited in pari-mutuel pools or similar pools during the meet at which the wager was made up to a total of \$1,000,000.00; five percent of all money so deposited from a total of \$1,000,000.00 to \$5,000,000.00; and ten percent of all money so deposited over \$5,000,000.00. The amount on which the tax is payable is the total amount so deposited during the meet including any pool, such as a daily double pool. Even though tickets sold for such a pool are not vended by a mechanical or electrical device nor the totals of such a pool computed and determined by a totalizator.

Sec. 2. Subsections (2) and (3) of Section 138.530 of the Kentucky Revised Statutes are amended to read as follows:

(2) The remittance of the tax imposed by KRS 138.510 shall be made to the Department of Revenue within ten days following the end of each race meeting and accompanied by such reports as prescribed by said department. All such funds received by the Department of Revenue shall be paid into the State Treasury and shall be credited to the General Expenditure Fund.

(3) The supervisor of pari-mutuel betting appointed by the Kentucky State Racing Commission shall daily, during each race meeting, report to the Department of Revenue the total amount bet or handled the preceding day.

Sec. 3. Section 138.520 of the Kentucky Revised Statutes is repealed.

By Mr. Lowman.

H. B. No. 476. AN ACT relating to school funds.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Funds received by the local school districts from the Equalization Fund shall be deemed to be "local revenue" for the pur-

poses of paragraph (C) of item 29 of section III of Part One of H. B. 14 of the Regular Session of the 1950 General Assembly.

By Mr. Hollan.

H. Res. No. 74. A JOINT RESOLUTION authorizing T. C. Spencer to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That T. C. Spencer is authorized to sue the Commonwealth of Kentucky and the Department of Highways of Kentucky, or either, in the Lee Circuit Court for damages resulting from injury caused to lands owned by him and located in Lee County, Kentucky, caused by negligence and wrongful acts upon the part of the Commonwealth of Kentucky and the Department of Highways of Kentucky, while their employes were building, constructing and maintaining a State Highway No. 52.

Said suit shall not be for a sum in excess of \$4,000.

The Attorney General of the Commonwealth of Kentucky may investigate said claim against the Commonwealth herein, and settle said claim before or after suit is filed, if he deems advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this Resolution shall be considered by either the court or a jury as an admission of negligence or wrongdoing upon the part of the Commonwealth or its Department

of Highways, and this Resolution shall not be introduced as evidence nor commented upon by counsel in argument to the jury.

By Mr. Britton.

H. Res. No. 75. A JOINT RESOLUTION authorizing and directing the payment of the sum of \$166.74 to G. G. Hibbard for compensation due him for returning a fugitive from justice.

Said resolution is as follows, viz:

WHEREAS, G. G. Hibbard, a former sheriff of Clay County, Kentucky, was commissioned by the then Governor of the Commonwealth by commission dated August 28, 1939, to travel to the state of Texas and return therefrom a fugitive from justice, and

WHEREAS, said commission authorized that the statutory compensation to be paid said G. C. Hibbard as agent, and

WHEREAS, said G. C. Hibbard returned the fugitive and in so doing traveled 2,779 miles for which he was entitled to be compensated at the rate of six cents per mile, and

WHEREAS, such compensation amounts to the sum of \$166.74, no part of which has been paid;

NOW THEREFORE

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the sum of \$166.74 is appropriated out of the General Expenditure Fund in the State Treasury for the purpose of paying the claim of G. G. Hibbard for compensation due him for returning a fugitive to the Commonwealth of Kentucky from the state of Texas in the year 1939. The Commissioner of Finance is directed to draw his warrant upon the State Treasury, in favor of said G. G. Hibbard for said amount, and the State

Treasurer, upon presentation of the warrant, is directed to issue a check in favor of said G. G. Hibbard in the amount of \$166.74.

Ordered that said bills and said resolutions be printed and referred to the Committee on Rules.

Mr. Hanratty moved that the rules be suspended for the purpose of allowing a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, the Committee on Rules, to which the same had previously been referred, reported bills and resolutions of the following titles, viz:

H. B. No. 466. AN ACT relating to taxes on legal actions, proceedings and appeals, including provisions for the disposition of the revenue derived therefrom.

S. B. No. 101. AN ACT relating to the packaging, sale or offering for sale of soap and soap products.

H. B. No. 32. AN ACT imposing an additional tax upon the sale or distribution by sale or gift of malt beverages, and providing for the appropriation and use of the revenue derived therefrom.

H. B. No. 48. AN ACT relating to procedure for the establishment of new schedule of rates by public utilities.

H. B. No. 464. AN ACT to amend Section 279.210 of the 1948 edition of the Kentucky Revised Statutes relating to jurisdiction of the Public Service Commission over rural electric co-operatives, assessments paid and application of other laws.

H. Res. No. 61. A JOINT RESOLUTION authorizing William Mudd to sue the Commonwealth of Kentucky and the Division of Game and Fish, or either.

H. B. No. 404. AN ACT relating to gambling devices, amending Section 436.230 of the Kentucky Revised Statutes.

H. B. No. 403. AN ACT relating to the open season for wild animals.

H. B. No. 467. AN ACT relating to animals; to be known as the Livestock and Dog Protective Law of 1950.

H. B. No. 288. AN ACT relating to the establishment and operation of a Northern Kentucky Utility District.

H. Res. No. 36. RESOLUTION authorizing V. H. McDaniel of Franklin County, Kentucky, to sue the Commonwealth of Kentucky.

H. B. No. 110. AN ACT imposing a tax on the production of coal, and appropriating the revenue therefrom.

S. B. No. 28. AN ACT to amend Section 738 of the Civil Code of Practice.

H. Res. No. 59. A JOINT RESOLUTION authorizing John Hatton, statutory guardian and father of John P. Hatton, an infant over fourteen years of age, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

S. B. No. 132. AN ACT relating to the filing of Motion and Grounds for new trial.

S. Res. No. 31. RESOLUTION authorizing Acree Austin, of Mayfield, Graves County, Kentucky, to sue the Commonwealth of Kentucky.

H. Res. No. 59. A JOINT RESOLUTION authorizing John Hatton, statutory guardian and father of John P. Hatton, an infant over fourteen years of age, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

H. Res. No. 68. A JOINT RESOLUTION providing for a complete and thorough study and survey of Child Welfare in Kentucky.

S. B. No. 132. AN ACT relating to the filing of Motion and Grounds for new Trial.

H. Res. No. 73. A JOINT RESOLUTION appropriating the sum of One Thousand Dollars (\$1,000.00) as an additional contingent fund for the Clerk of the House, and appropriating the sum of One Thousand Dollars (\$1,000.00) as an additional contingent fund for the Clerk of the Senate, and declaring an emergency.

H. B. No. 459. AN ACT authorizing the acquisition, construction, maintenance, extension, improvement and operation of natural, artificial or combined systems for the manufacture or distribution of natural or artificial gas.

S. B. No. 161. AN ACT relating to carrying concealed a deadly weapon.

H. B. No. 458. AN ACT appropriating money out of the General Expenditure Fund for the fiscal year ending June 30, 1950, for expenses of sessions of the General Assembly, and declaring an emergency.

With the expression of opinion that same should pass.

Whereupon, said bills and said resolutions were each and severally read at length for the first time and

Ordered placed in the Calendar.

Mr. Hanratty moved that the rules be suspended for the purpose of reading the Calendar.

Said motion was agreed to by a majority of the members elected.

Thereupon, the House took up for consideration from the Calendar bills and resolutions of the following titles, viz:

H. B. No. 434. AN ACT relating to motor trucks, semi-trailer trucks, and to trailers operating with permits, establishing and regulating the maximum height, length, width, and weight thereof, and authorizing the Commissioner of Highways to designate classifications of highways for the purpose of regulating

said maximum dimensions and weight, and providing for the enforcement of regulations with regard thereto by the assessment of fines and other penalties and by the appointment of weightmasters having the authority of peace officers, and repealing KRS 189.180, 189.220, 189.225, 189.235, 189.240, and 189.250, and amending KRS 189.990 (2), and for other purposes related thereto.

S. B. No. 59. AN ACT to amend Section 289.290 of the Kentucky Revised Statutes, relating to the amendment of articles of incorporation and bylaws of building and loan associations.

S. B. No. 90. AN ACT relating to the transfer of title to, and registration of, motor vehicles.

S. B. No. 123. AN ACT relating to divorce and repealing, amending and reenacting KRS 403.020.

S. B. No. 128. AN ACT relating to matrons of police court in cities of first class.

S. B. No. 142. AN ACT relating to mechanics' and materialmen's liens.

S. B. No. 152. AN ACT to regulate the racing of trotting horses in the Commonwealth of Kentucky and providing for the establishment of the Kentucky Trotting Commission and prescribing its powers and duties.

S. B. No. 174. AN ACT relating to parental and marital duties and obligations, with particular relation to desertion, abandonment or failure to provide maintenance or support for a child or wife, and the custody of children, amending KRS 435.240.

S. B. No. 176. AN ACT relating to Professional Nursing, including provision for licensing and regulation of the practice of professional nursing and the approval of Schools of Professional Nursing.

S. B. No. 178. AN ACT to regulate practical nursing including provision for licensing the practice of practical nurses and for the approval of schools of practical nursing.

S. B. No. 181. AN ACT relating to workmen's compensation.

S. B. 182. AN ACT relating to Workmen's Compensation.

S. B. No. 183. AN ACT relating to income taxation.

S. B. No. 187. AN ACT Relating to Corporations.

H. B. No. 416. AN ACT amending Section 29.390 of the Kentucky Revised Statutes, relating to the compensation of jurors.

S. B. No. 195. AN ACT relating to war time, repealing Section 39.290 of the Kentucky Revised Statutes.

H. B. No. 436. AN ACT to repeal, amend and re-enact Section 336.130, Kentucky Revised Statutes, 1948 (Fourth Biennial Edition), relating to employer-employee relations.

H. B. No. 444. AN ACT to authorize communities of this Commonwealth to adopt plans and to undertake projects for the acquisition, clearance, preparation and sale and lease of land in slum or blighted areas for development or redevelopment; to authorize communities to exercise powers therefor, including acquiring property through eminent domain or otherwise, borrowing money, issuing bonds and other obligations and giving security therefor; to authorize communities to designate or create certain public agencies to exercise such powers; to authorize communities to furnish and contract to furnish funds, services, facilities, and property for such projects, and to obtain funds therefor by the issuance of obligations, by taxation or otherwise; and to provide that obligations issued for slum clearance or redevelopment projects shall be legal investments.

H. B. No. 405. AN ACT relating to plumbers and plumbing.

H. B. No. 409. AN ACT to amend Section 339.230 of the Kentucky Revised Statutes relating to child labor.

H. B. No. 461. AN ACT relating to county treasurers, amending sub-section (1) of Section 68.010 of the Kentucky Revised Statutes.

H. B. No. 343. AN ACT to promote safety in the operation of stationary steam power and heating plants, and to protect property and human life against the hazard of unattended steam generating equipment and of explosion and fire resulting from the operation of such plants by unskilled, incompetent, negligent or bibulous operators: To establish an agency of the State Government, designated, The Kentucky State Board of Examiners of Stationary Boiler Operators, and prescribe the power, duties, authority, salaries and functions of such board, including its authority to make such reasonable rules and regulations, in harmony with the provisions of the Act, as may be necessary and proper to its enforcement: And to require a license and provide a system of examinations for operators of such steam generating equipment above a certain pressure, or power, and fix a reasonable fee for such examination and licenses: And to appropriate the sum of Three Thousand Dollars (\$3,000.00) to be expended in the organization of said board and in implementing and executing this Act: and to provide penalties for violations of the Act.

H. B. No. 422. AN ACT to aid in the development and promotion of the purebred cattle industry in Kentucky.

H. B. No. 460. AN ACT relating to the distribution of the common school equalization fund.

S. B. No. 201. AN ACT relating to implied warranties concerning the soundness or condition or suitability for use of certain articles of food or drink, and the service of process in actions based upon such warranties.

H. B. No. 335. AN ACT making provisions for the acquisition and installation of an electrical roll call system and appurtenances thereto in the House Chamber, providing for a Committee to contract for the purchase and installation thereof, and making an appropriation therefor.

H. Res. No. 64. A JOINT RESOLUTION authorizing George Jean Logan, an infant under twelve years of age, by his father and next friend, Chester Logan, to sue the Commonwealth of Kentucky and the Kentucky Highway Department, or either.

S. B. No. 177. AN ACT relating to schools established and maintained in conjunction with Houses of Reform as established in the Kentucky Revised Statutes, Chapter 198 and Children's Homes in counties containing a city of the first class as established by the Kentucky Revised Statutes, Chapter 201.

H. B. No. 455. AN ACT relating to a program of in-service teacher training, and making an appropriation.

H. B. No. 451. AN ACT relating to revenue and taxation.

S. B. No. 64. AN ACT relating to trade practices, amending subsection (1) of section 365.030 of the Kentucky Revised Statutes.

H. B. No. 457. AN ACT relating to the operation of vehicles upon city streets, amending section 92.320 of the Kentucky Revised Statutes.

H. B. No. 424. AN ACT relating to public assistance to needy aged, needy blind and needy children.

H. B. No. 443. AN ACT relating to certain corporations and associations subject to supervision of the Division (or Department) of Insurance, which provide services or benefits under policies or contracts of a nature similar to insurance policies, including hospital service corporations, burial associations, and medical service corporations.

H. Res. No. 54. A JOINT RESOLUTION authorizing and directing the payment of the sum of \$273.00 to Elmine Watts for expenses incurred by him as sheriff of Knott County.

H. B. No. 425. AN ACT relating to members of the city council in cities of the fourth class, amending Section 86.050 of the Kentucky Revised Statutes.

Ordered that said bills and said resolutions be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bills and said resolutions be

dispensed with, and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills and said resolutions having been dispensed with, said bills and said resolutions were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

Mr. Hanratty moved that the House do now adjourn to meet again at 10 o'clock, a.m., Friday, March 10, 1950.

Said motion was agreed to.

And then the House adjourned.

FRIDAY, MARCH 10, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Fred T. Moffatt, pastor of the First Baptist Church, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Berman Adams	Fred Beshear	Alex Calvert
Bill Adams	R. O. Blevins	Stanley Carter
Edgar Arnett	L. E. Bradley	Paul Combs
Sidney Baer	Edward O. Bridgers	R. Josh Cosby
Clarence J. Barnum	Thomas L. Britton	B. H. Crider
C. E. Baumgardner	J. D. Buckman, Jr.	Owen Deering
Leonard T. Bean	Mrs. M. E. Burnett	G. I. Drury
John D. Beatty	Charles W. Burnley	Thomas R. Duncan

R. C. Estepp, Sr.	Mrs. J. T. Linton	Paul E. Shannon
Mitchell S. Fannin	Homer E. Losey	James S. Shaw
Henry C. Hale	A. L. (Chick) Love	Gus Sheehan, Jr.
C. A. Hammons	Harry K. Lowman	Jesse H. Shelton
James P. Hanratty	True Mackey	Forest Smith
George F. Harris	John Martin	Joseph T. Snapp
Paul E. Hayes	William T. Marshall	John M. Spaulding
John A. Head	G. Lee McClain	J. Claude Stacy
Harold G. Helm	Jack McPherron	Roy Steers
William K. Henry	Alton Mitchell	Raymond D. Stigall
E. R. Hilton	Archie R. Moore	Mrs. Thelma Stovall
Ray Holbrook	Emmett G. Moore	W. R. Stringer
Woodrow W. Hollan	Walter R. Moorman	M. G. Thompson
W. M. Horn	Fred H. Morgan	Rev. T. H. Tinsley
Richard R. Houpt	C. S. Nabb	Ralph N. Walter
Durham W. Howard	Dr. C. E. Palmore	Fred M. Warns
Maurice G. Howard	James H. Polsgrove	Harry Lee Waterfield
Robert N. Hubbard	Leonard W. Preston	Lyle H. Webb
Silas Jacobs	W. R. Reasor	Morris Weintraub
Paul S. Jonas	Carl J. Ruh	Geo. F. Williamson
Barkley Jones	Amos Runyan	Charles W. Wirsch
William Jones	Dr. Roy Sanders	Adron Doran,
James W. Lambert	LeRoy Saylor	Speaker
Jesse H. Lawrence	Roy Searcy	

Mr. Hanratty moved that the reading of the Journal of the proceedings of Thursday, March 9, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Smith moved that the rules be suspended and the privilege of the floor extended to Mrs. Harry Lee Waterfield, Rose Gayle, Nancy and Henry Lee Waterfield, Jr.

Said motion was unanimously agreed to.

Mr. Baer moved that the rules be suspended and Master Woodrow W. Hollan, II, be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

Mr. Losey moved that the rules be suspended and Miss Freida Baugh be extended the privilege of the floor.

Said motion was unanimously agreed to.

Mr. Steers moved that the rules be suspended and Master Gary Gravitt be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

Mr. Combs moved that the rules be suspended and the privilege of the floor extended to Miss Grazia Combs, Estill McIntyre and Dreyfus Brashear.

Said motion was unanimously agreed to.

Mr. Hanratty moved that the rules be suspended and the House do now proceed to the Orders of the Day.

Said motion was agreed to by a majority of the members elected.

Thereupon, at the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 450. AN ACT relating to children.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. *Definitions*

As used in this Act, unless the context requires otherwise:

(1) "Commissioner" means Commissioner of Economic Security or his duly authorized representative;

(2) "Department" means Department of Economic Security;

"Division" means the Division of Child Welfare in the Department of Economic Security;

(4) "Child" means any person who has not reached his 21st birthday;

(5) "Neglected or dependent child" means any child who is under such improper parental care and control or guardianship as to injure or endanger the morals, health or welfare of himself or others;

(6) "Abandoned child" means any child who by reason of the desertion of his parents or guardian is in destitute circumstances;

(7) "Child-caring institution or agency" means any agency or institution, other than a state institution or one operated primarily for educational or medical purposes, in which four (4) or more children, not related by blood, adoption or marriage to the person maintaining the institution, are cared for and maintained in residence for compensation or otherwise;

(8) "Child-placing institution or agency" means any agency or institution other than a state agency which arranges for the placement of children in child-caring homes or child-caring institutions, or which arranges for the placement of children for adoption;

(9) "Child welfare worker" means any employee of the Department designated as such by the Commissioner or social worker employed by a county or city who has been approved by the Department to handle, under its supervision, services to children.

Section 2. *Commissioner, Powers, and Duties*

(1) The Commissioner of Economic Security shall have sole charge of the administration of the Division.

(2) The Commissioner shall have the power and authority to adopt, and amend or rescind such rules and regulations as he deems necessary or suitable for the proper administration and the functions of the Division, including qualification for the receipt of federal funds and for cooperation with other state and federal agencies. Such rules and regulations shall become effective in the manner and at the time prescribed by the Commissioner.

(3) In the administration of this Act the Commissioner shall cooperate to the fullest extent possible with any agency of this State or any other state or of the United States.

(4) The Commissioner of Economic Security is authorized, subject to the provisions of KRS Chapters 12, 42, and 45, to appoint, fix the compensation and prescribe the duties and powers of such officers and employees as may be necessary in the performance of

his duties under this Act. All positions shall be filled by persons selected and appointed on a non-partisan merit basis, in accordance with merit standards established by law. The Commissioner shall not employ or pay any person who is an officer or committee member of any political party organization. The Commissioner may delegate to any such person so appointed such power and authority as he deems reasonable and proper for the effective administration of this Act.

(5) The Commissioner shall have the power and authority to elect coverage for the workers in the Division under the provisions of KRS Chapter 341, and may elect coverage for such workers under the Workmen's Compensation Law of this State. In the event such coverage is elected the payment of contributions under KRS Chapter 341 and premiums under the Workmen's Compensation Law shall be deemed a proper cost of administration.

(6) If and when the Congress of the United States amends the Federal Social Security Act so as to extend its provisions to include state employees, the Commissioner is hereby authorized to take such actions as are necessary to extend the benefits of such act to the employees of the Division. In the event of such extension the contributions required of the Division as the employer shall be deemed to be a proper cost of administration.

(7) The salaries and expenses of the Commissioner and his staff shall be considered a proper cost of administration of this Act, to be charged to the Child Welfare and Benefit Fund in that proportion which the cost of such services rendered in the administration of this Act bears to the over-all cost of the services rendered in the administration of the Department.

Section 3. *Subpoenas, Confidential Nature of Records*

(1) In the discharge of the duties imposed by this Act the Commisisoner or his duly authorized representative may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas to compel the attendance of witnesses and production of books, papers, correspondence, memoranda and other records considered necessary and relevant as evidence in connection with the administration of the Division. Such subpoena shall be served in the same manner as a subpoena issued out of a circuit court. Witnesses subpoenaed shall be allowed witnesses' fees according to the rates prescribed by KRS 421.010 for each day their attendance is actually required at a hearing.

(2) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda or other records in response to such subpoena on the grounds that the evidence required of him may tend to incriminate him or subject him to a penalty, or forfeiture. No person shall be prosecuted or subjected to any suit, penalty, or forfeiture on account of any transaction, matter, or thing concerning which he or his agent or worker is compelled, after having claimed privilege against self-incrimination, to give evidence except that such witness so testifying shall not be exempt from punishment for perjury.

(3) All letters, reports, communications, and other matters, written or oral, to the Division or any of its agents, representatives, or employees, or to any board or official functioning under this Act, which have been written, sent, or made in connection with the requirements and administration of the Division shall be absolutely privileged and shall not be the subject matter or basis for any suit for slander or libel in any court, but no person testifying before the Commissioner or his duly authorized representative, shall be exempt from punishment for perjury. Information obtained shall not be published or be open for public inspection, except to public employees in the performance of their duties, but any interested party at a hearing before the Commissioner or his duly authorized representative shall be supplied with information from such records to the extent necessary for the proper presentation of his case.

Section 4. *Destruction of Records*

The Commissioner may authorize the destruction of such original reports and records as have been properly recorded or summarized in the permanent records of the Division or are no longer considered necessary to the proper administration of the Department. Such destruction or disposition shall be made only by order of the Commissioner. Any money received from the disposition of such records shall be deposited to the credit of the Child Welfare and Benefit Fund.

Section 5. *Advisory Councils*

(1) The Commissioner may appoint a State Advisory Council for Child Welfare, and such other special committees as he may from time to time deem necessary. These councils shall aid the Commissioner in formulating policies and discussing problems related to the administration of the Division and in assuring impartiality and freedom from political influence in the solution of such problems. The members of such councils shall serve without compensation, but shall be reimbursed for all necessary expenses.

Section 6. *Services to Children, Scope of Department's Responsibilities*

In addition to the other duties, functions, and responsibilities imposed by law, the Department, through its authorized representatives, shall have general supervision and management of all matters contained in KRS 199.350 to 199.370 and shall, wherever possible:

- (1) Locate and plan for all children who are dependent, neglected, abandoned or in danger of becoming delinquent;
- (2) Cooperate with and assist the juvenile courts of the various counties;
- (3) Assist circuit courts through services to children whenever requested by the court; and
- (4) Perform such other services as may be deemed necessary for the welfare of children.

Section 7. *Disposition of Abandoned, or Dependent or Neglected Children*

(1) When any child is found to be abandoned, neglected or dependent or in danger of becoming delinquent, the court may, if the home where the child is found is a suitable place for the child, allow the child to remain in the home subject to the visitation of a child welfare worker.

(2) If the person having custody of any such child consents thereto, or is unfit, unable or unwilling to care for, protect, or discipline the child, and it is for the interest of the child that such child be taken from the person having its custody, the court may cause the child to be placed in a suitable home, or to be boarded out when provision for payment of board has been made, or make the child a ward of the court and arrange for its admission to an institution for the care of neglected or dependent children that will receive the child. Children so placed in such homes or institutions shall be subject to the visitation and supervision of a child welfare worker.

(3) The court having made any child who is abandoned, neglected or in danger of becoming delinquent its ward shall not arrange for its admission to any institution receiving delinquent children unless provision is made to separate delinquent from abandoned or neglected or dependent children.

(4) Any child made a ward under this section shall be a ward for such time during its minority as the court prescribes, and the court may set aside or modify its order at any time.

Section 8. KRS 199.410 is amended to read as follows:

- (1) The provisions of KRS 199.380 to 199.400 shall not affect

or apply to boarding homes in which children under the care, custody or control of the Department, or receiving aid from the Department, are being boarded, and which have been approved by the Department as meeting the standards of the Department for placement, nor shall the provisions of KRS 199.380 to 199.400 affect persons caring for and providing for children related to them by blood or marriage.

(2) KRS 199.380 to 199.400 shall apply only to counties containing a city of the second class.

Section 9. *Fund and Accounts*

(1) There shall be in the State Treasury a special fund known as the Child Welfare and Benefit Fund which shall be administered separate and apart from all public money or funds of this State. The fund shall consist of all money appropriated by this State, all money received from the United States or any agency thereof and all money received from any other source for the child welfare functions administered by the Department. All money deposited or paid into this fund is hereby appropriated and shall be available to the Commissioner for expenditure consistent with the provisions of this Act and KRS Chapter 195.

(2) The State Treasurer shall maintain within the fund three (3) separate accounts:

(a) An administrative account to which shall be deposited all money appropriated by this State, for the administration of the child welfare functions of the Department;

(b) A benefit account to which shall be deposited all money appropriated by this State, and all money received from the United States or any agency thereof for the purpose of providing care, maintenance or treatment for children; and

(c) A miscellaneous account to which shall be deposited all money received from the United States or any agency thereof or from any other source for the administration of the child welfare functions of the Department.

(3) All money in the benefit account and miscellaneous account shall be continuously appropriated and available to the Commissioner without respect to fiscal years. A general statement that all continuing appropriations are repealed shall not be construed as repealing this subsection.

(4) The Commissioner is authorized to direct the transfer of all or any part of such money in the miscellaneous account to either

of the other two (2) accounts for expenditure consistent with the provisions of subsection (2) (a) and (2) (b) of this section or such money in the administrative account as is not required for administrative purposes to the benefit account for the care, maintenance and treatment of children.

Section 10. *Petition for Adoption*

(1) Any adult person who is a resident of this State or who has resided in this State for twelve (12) months next before filing, may file a petition for leave to adopt a child in the circuit court of the county in which the petitioner resides.

(2) If petitioner is married, the husband or wife must join in a petition for leave to adopt a child unless the petitioner is married to a natural parent of the child to be adopted, except that if the court finds that the requirement of a joint petition would serve to deny the child a suitable home, such requirement may be waived.

(3) No petition for the adoption of any child under the age of sixteen (16) shall be filed until after the child has lived continuously in the home of the petitioner for at least three (3) months immediately prior to the filing of the petition.

Section 11. *Parties Defendant; Process*

(1) The following persons shall be made parties defendant in an action for leave to adopt a child:

(a) The child to be adopted;

(b) The natural living parents of a child under twenty-one (21), if the child is legitimate and its mother if the child is born out of wedlock, provided that no natural parent need be made a party defendant in the event the parental rights of such parent have been terminated under Sections 23 to 26 of this Act;

(c) The child's guardian, if it have one;

(d) If the care, custody and control of the child has been transferred to the Department, any other individual, institution or agency, then the Department, such other individual, institution or agency shall be named a party defendant.

(2) Each party defendant shall be brought before the court in the same manner as provided in other civil cases except that if the child to be adopted is under fourteen (14) years of age and the Department, individual, institution or agency has custody of such child, the services of process upon such child shall be had by serving a copy of the summons in such action upon the Department, individual, institution or agency, any provision of Section 52 of the Civil Code of Practice to the contrary notwithstanding.

(3) If the child's natural living parents, if the child is legitimate, or its mother if the child is born out of wedlock, are parties defendant no guardian ad litem need be appointed to represent the child to be adopted.

Section 12. *Contents of Petition*

(1) The petition shall allege:

(a) The name, date and place of birth, place of residence and mailing address of each petitioner and if married, the date and place of their marriage;

(b) The name, date and place of birth, place of residence and mailing address, if known, of the child sought to be adopted;

(c) Relationship, if any, of the child to each petitioner;

(d) Full name by which the child shall be known after adoption;

(e) A full description of the property, if any, of the child so far as it be known to the petitioner;

(f) The names of the parents of the child and the address of living parent, if known, provided the name of the natural father of a child born out of wedlock shall not be given, or if certified copies of orders terminating parental rights are filed as provided in subsection (2) of this section, the names of any parent whose rights have been terminated shall not be given;

(g) The name and address of the child's guardian, if any, or of the Department, institution or agency having legal custody of the child;

(h) Any further facts necessary for the location of the person or persons whose consent to the adoption is required, or whom Section 11 requires to be made a party to or notified of the proceeding; and

(i) If any fact herein required to be alleged is unknown to the petitioners, such lack of knowledge must be alleged.

(2) There shall be filed with the petition any sworn consent or consents to adoption and certified copies of any orders terminating parental rights.

Section 13. *Consent, Who Must Give*

No adoption shall be granted without the sworn consent of the living parent or parents of a legitimate child or the mother of the child born out of wedlock, except that such consent of the living parent or parents shall not be required if:

(a) Such parent or parents have been adjudged incompetent and such judgment shall have been in effect for not less than one (1) year prior to the filing of the petition for adoption;

(b) The parental rights of such parents have been terminated under Sections 23 to 26; or

(c) The living parents are divorced and the parental rights of one parent have been terminated under Section 23 and consent has been given by the parent having custody and control of the child.

(2) A minor parent who is a party defendant may consent to an adoption but a guardian ad litem for such parent shall be appointed.

(3) In the case of a child twelve (12) years of age or older, the consent of the child shall be given in court, provided that the court in its discretion may waive this requirement.

(4) Notwithstanding the provisions of subsection (1) of this section, an adoption may be granted without the consent of the natural living parents of a child if it is pleaded and proved as a part of the adoption proceedings that any of the provisions of subsections (1) or (2) of Section 23 of this Act exist with respect to the child.

Section 14. *Investigation and Report*

(1) Upon filing a petition for the adoption of a minor child the Clerk of the Court shall forward a copy of the petition to the Department. The Department or any agency or institution designated by it, shall, to the extent of available facilities, verify the allegations of the petition, make an investigation of the matter and report its findings in writing to the court. The report shall show, among other things:

(a) Why the natural parent, if living, desires to be relieved of the care, support and guardianship of such child;

(b) Whether its proposed adoptive parents are financially able and morally fit to have the care, support and training of such child;

(c) The race and the physical and mental condition of such child in each instance so far as this can be determined; and

(d) Whether the adjustment of the child in the home is satisfactory.

(2) The report of the Department or designated agency or institution shall be submitted to the court within ninety (90) days after the copy of the petition is forwarded to the Department, provided that if the Department or designated agency or institution is unable to make the report it shall immediately notify the court of its inability to conduct an investigation, and the court may designate some other agency or suitable person to make the necessary investigation, or for good cause the court may extend the period for filing the report required in this section.

Section 15. *Order of Adoption*

(1) If, after the hearing of the case which shall be private and the filing of the required consent or consents, the court finds that the facts stated in the petition were established and that all legal requirements relating to the adoption have been complied with, it shall enter an order setting forth all jurisdictional facts and directing that a judgment of adoption be entered adjudging that from and after the date of the entry thereof, the child shall be deemed the child of the petitioners, for the purposes set forth in Section 16.

(2) The court shall not enter an order of adoption of a minor child unless the court finds that the petitioners are of good moral character, of reputable standing in the community and of ability to properly maintain and educate the child, and that the best interest of the child will be promoted by the adoption and that the child is suitable for the adoption.

Section 16. *Judgment of Adoption and Legal Status of Adopted Child*

(1) After the entry of the order of adoption provided for in Section 15 of this Act, the court shall enter a judgment of adoption in which judgment the name of the child shall be changed to conform with the prayer of the petition and the judgment, including the caption, shall contain only the adopted name of the child, without any reference whatsoever to its former name.

(2) Any child adopted pursuant to the provisions of this Act shall be considered, for purposes of inheritance and succession and for all other legal considerations, the natural, legitimate child of the parents adopting it. A child so adopted shall be freed from all legal obligations of maintenance and obedience to its natural parents, except that where the adopting parent of the child is married to the natural parent of the child, the relation of the child to that natural parent shall not in any way be altered by the adoption and the rights and obligations of the natural parent and the adopting parent to the child shall be the same as if the child were the natural child of both the natural parent and the adopting parent. The judgment of adoption shall include the applicable provisions of this subsection.

(3) The adoptive parents of a child shall inherit from the child in the same manner as if the child had been born of lawful wedlock to the adoptive parents.

(4) If the adoptive parents do not survive the adoptive child, all property of the deceased adoptive child, in the absence of lawful

issue, shall descend under the general law of descent and distribution as if the child were the natural child of the adoptive parents.

(5) Nothing in this section shall prevent an adoptive child from inheriting from its natural parents.

(6) The Department shall be notified of any action of the court with respect to entering a judgment granting an adoption, the annulment of an adoption and the denial or dismissal of a petition for adoption.

Section 17. *Annulment of Adoptions*

(1) Whenever a child adopted under this Act reveals definite traits of ethnological ancestry different from those of the adoptive parents, and of which the adoptive parents had no knowledge or information prior to the adoption, a petition setting forth such facts may be filed by the original petitioner or the Department at any time within five (5) years after such adoption with the court which decreed the adoption and if upon hearing the facts set forth in such petition they are established, the said court may enter a decree of annulment of the adoption and setting aside any or all rights or obligations which may have accrued by reason of said adoption.

(2) After the expiration of two (2) years from the date of the entry of judgment of adoption, the validity thereof shall not be subject to attack in any procedures, collateral or direct, by reason of any irregularity in procedures had pursuant to this Act.

Section 18. *Disposition of Child if Adopted Not Adjudged*

(1) If for any reason whatsoever a petition for adoption of a minor child be dismissed or the judgment of adoption annulled, the following disposition shall be made of the child:

(a) If the child is, or was, prior to the filing of the petition, in the care, custody and control of the Department, individual, institution or agency, then the child shall be returned to the custody of the Department or such individual, institution or agency; and

(b) Otherwise the court shall certify the case to the Juvenile Division of the County Court of the county where the adoption proceeding is pending for appropriate action and disposition. Said county court shall advise the Department of the pendency of such action.

Section 19. *Appeal*

Any party to any adoption proceeding shall have the same right of appeal to the Court of Appeals of Kentucky as in other equity actions.

Section 20. *Disclosure of Information*

(1) The files and records of the court in adoption proceedings

shall not be open to inspection by persons other than parties to such proceedings, their attorneys, and representatives of the Department, except upon order of the court expressly permitting inspection. No person having charge of any adoption records shall disclose the names of any parties appearing in such records or furnish any copy of any such records, except upon order of the court which entered the judgment of adoption. The clerk of the circuit court shall set up a separate docket and order book for adoption cases and these files and records shall be kept locked.

(2) After entry of an adoption judgment in which there is provided a change of name, or where the status of the child is illegitimate, the clerk of the circuit court shall promptly report to the Division of Vital Statistics of Kentucky full information as called for on forms furnished by the Division of Vital Statistics, necessary to make a new birth certificate conforming to the standard birth certificate form. Upon receipt of this information, the Division of Vital Statistics shall cause to be made a new record of birth in the new name and it shall be filed with the original certificate, and the original certificate shall be stamped with the words, "CONFIDENTIAL—subject to copy or inspection only on written order of Court".

(3) The new certificate shall set forth the new name, if any, of the adopted child, the names of the adoptive parents and such other information deemed necessary in accordance with rules and regulations promulgated by the Division of Vital Statistics in the issuing of birth certificates for adopted children. If no birth certificate is on file for a child born in Kentucky, the Division of Vital Statistics shall prepare a certificate of birth in accordance with the regular procedure for issuing the birth certificate for a child whose original certificate is on file. The Division of Vital Statistics shall furnish to the clerks of the circuit courts the necessary forms to carry out the provisions of this section.

(4) Thereafter when any copy of the certificate of birth of any child is issued it shall be a copy of the new certificate of birth except when an order of the court granting the judgment of adoption shall request the issuance of the copy of the original certificate of such child's birth.

(5) If any judgment of adoption is reversed, modified or vacated in any particular, the clerk of the circuit court shall notify the Department and the Division of Vital Statistics of such reversal or modification and the effect of same, and thereupon such division shall make such changes, if any, in its records as may be necessary by such reversal or modification.

Section 21. *Savings Clause*

Nothing in this Act shall affect adoption proceedings pending under former laws on the effective date of this Act.

Section 22. *Advertisement Soliciting Children for Adoption Forbidden*

(1) No person, corporation or association shall advertise in any manner that it will receive children for the purpose of adoption nor shall any newspaper published in the Commonwealth of Kentucky nor any other publication which is prepared, sold, or distributed in the Commonwealth of Kentucky contain an advertisement which solicits children for adoption or solicits the custody of children.

(2) No person, agency or institution not licensed by the Department, may charge a fee or accept remuneration for the procurement of any child for adoption purposes.

Section 23. *Cause for Termination; Action, Who May Bring; Jurisdiction*

(1) In a proceeding involving a neglected or abandoned child, as defined in Section 1 of this Act, the circuit court may terminate all parental rights of the parents of such child, and declare the child to be a ward of the State, and may vest the care, custody and control of the child in the Department, or in any licensed child-caring or child-placing agency or institution, if facilities are available to receive the child, if it is pleaded and proved in a private hearing that the parents have abandoned or deserted the child, or have substantially and continuously or repeatedly refused, or being able have neglected, to give the child parental care and protection, or that the child is neglected and that the parents have been adjudged mentally incompetent to retain their parental rights and such judgment has been in effect for not less than one (1) year.

(2) If the circumstances described in subsection (1) of this section exist with respect to only one of the two legitimate parents, the parental rights of that parent may be terminated, in which case the child shall not be declared to be a ward of the State, unless with the voluntary consent of the other parent.

(3) In an action to terminate parental rights under this section the parents, if the child is legitimate, or the mother if the child is born out of wedlock, must be personally summoned; or where personal service cannot be made, must be constructively summoned as provided in the Civil Code of Practice.

(4) The court may be convened at any time wherever the judge thereof may be found within his district, irrespective of the regular

term, for the purpose of terminating parental rights under this section and shall complete the same as soon as possible.

(5) Proceedings under this section may be instituted upon petition by the Department, any probation officer, any state or local law enforcement officer, any county or commonwealth's attorney or a natural parent.

Section 24. *Appeals*

A judgment terminating parental rights, made pursuant to Section 23 of this Act, shall be final, subject to the right of appeal to the Court of Appeals as provided by law for appeals in equity cases.

Section 25. *Voluntary Termination*

(1) The parents of any child, or the surviving parent where one parent is deceased, or in the case of a child born out of wedlock, the mother, may present to the judge of any circuit court in this State, a written petition setting forth facts alleging that such parents, parent or mother, as the case may be, (a) is unable to provide proper parental care for such child; and (b) is willing to relinquish all parental rights to such child, and alleging that the Department or a licensed child-caring or child-placing agency or institution which is authorized to place children for adoption, has the facilities to accept the care of the child or in the absence of such facilities, some suitable person is willing to accept the care of the child.

(2) The petition shall either be accompanied by a statement, signed and sworn to by an authorized representative of the Department or the licensed agency or institution, that facilities exist to receive the care, custody and control of the child, or such facts shall be made known in the presence of the court by such a representative, or in the absence of such facilities, the signed statement of the individual willing to accept the care of the child.

(3) If it is proved to the satisfaction of the court that termination of parental rights and commitment to the Department or licensed institution, agency or suitable person will be for the benefit of the child, the court may order the child to be so committed and the parental rights of the natural parents terminated.

Section 26. *Order of Termination; Effect of*

(1) Any order terminating the parental rights of any person under this Act shall be an ex parte order, and the order, including the caption, shall contain only the name of the child, without any reference whatsoever to the names of the parents whose rights have been terminated. Such order shall be duly recorded in the order book of the circuit court and a certified copy of the order given to

the Department and to the institution or agency if the child is accepted for placement for adoption.

(2) Where parental rights have been terminated pursuant to this Act, all legal relationship between the parents and child shall cease to exist, the same as if the relationship of parent and child had never existed, except that the child shall retain the right to inherit from its parents under the laws of descent and distribution.

Section 27. *Licenses, Requirements, Application for*

(1) On and after July 1, 1950, no person, association or organization shall conduct, operate or maintain any child-caring or child-placing institution or agency without having a license to do so issued by the Department.

(2) Licenses issued the agency or institution shall be valid until revoked by the Department provided that each licensed agency or institution shall be visited and inspected by a person authorized by the Department at least once each year and a complete report of such visit or inspection be filed with the Department. Each license issued shall specify the type of service the licensee is authorized to perform. The Commissioner may adopt regulations establishing standards of care and service for child-caring institutions and child-placing institutions and agencies relating to the sanitary and hygienic conditions, the facilities available for each child, the diet provided, the safety of the child from fire and other accidents and hazards, and such other factors as may be necessary to promote the welfare of children cared for or placed by such agencies and institutions.

(3) Each agency or institution licensed under this Act shall keep a record containing:

(a) The names, ages, present and former residences of all children received;

(b) The names, residence and occupation so far as is known, of the parents;

(c) The dates of the reception, placing out for adoption or foster care, together with the names, occupation and residence of the persons with whom the child is placed;

(d) The date and cause of termination of its custody of each child; and

(e) A brief history of each child until he shall have reached the age of eighteen (18) years or shall have been adopted or discharged according to the law.

All records regarding children or facts learned about children and their parents and relatives by any licensed agency or institution

shall be deemed confidential in the same manner and subject to the same provisions as similar records of the Department. The information thus obtained shall not be published or be open for public inspection except to authorized employees of the Department or of such licensed agency or institution in the performance of their duties.

(4) If the Department or authorized person is unable to make the necessary investigation or inspection for issuance of a permanent license to any such agency or institution prior to July 1, 1950, a provisional license shall be issued subject to the completion of the necessary investigation or inspection.

If such inspection or investigation reveals that the agency or institution does not meet the standards prescribed for licensing such agency or institution, the provisional license shall remain in effect for a period prescribed by the Commissioner but not to exceed twelve (12) months from the date the agency or institution was first notified of its failure to meet such standards.

(5) Applications for licenses shall be made to the Department and no agency or institution shall be refused a license nor have its license revoked by reason of failure to meet prescribed standards until after the expiration of a period not to exceed twelve (12) months from the date of the first official notice that standards have not been met.

Section 28. *Child-Caring Institutions*

Any licensed child-caring institution or agency may contract to provide care and maintenance for a child in accordance with the terms of its license. Any licensed child-caring institution or agency may receive children committed to its custody and provide care and services for the child until the child is discharged from custody pursuant to law.

Section 29. *Child-Placing Institutions*

A licensed child-placing institution or agency may place children in a child-caring institution or home for care and maintenance, or may place children for adoption if specifically authorized by its license so to do. The institution or agency shall keep and maintain careful supervision of all children under its care and of children placed by it in child-caring homes, and its agents shall visit such homes as often as may be necessary to promote the welfare of the children.

Section 30. *Revocation of Licenses*

(1) The Department may revoke a license under this Act for any condition which would have caused a denial of the license in the

first instance. The Department may refuse to issue a license in any case where the applicant is not found to possess the qualifications prescribed by the Commissioner.

(2) In any case where the Department proposes to revoke or to refuse to issue a license, written notice shall be given to the licensee or applicant, stating the proposed action and grounds therefor, and notifying the licensee or applicant that such license will be revoked or refused unless the applicant or licensee makes application for a hearing before the Commissioner within thirty (30) days of such notice. If application for such hearing is made, the Commissioner shall set a time for the hearing, of which ten (10) days' notice shall be given to the licensee or applicant, and at the hearing the licensee or applicant shall be entitled to be heard in person or by counsel, and to present witnesses. Following the hearing the Commissioner shall render a decision in writing, setting forth his findings of fact and conclusions of law, and affirming, modifying or setting aside the findings of the Department and shall send a copy thereof to the licensee or applicant by registered mail.

(3) The decision may be reviewed in the circuit court of the county in which the institution or agency is located, by action commenced within thirty (30) days after receipt of the copy of the decision, and in such action the findings of fact made by the Commissioner shall be conclusive if supported by any competent evidence.

Section 31. *Penalties*

(1) Any person who violates any of the provisions of Sections 3, 20, and 22 or Sections 27 to 30 of this Act or any rule or regulation under such sections the violation of which is made unlawful shall be fined not less than \$500.00 nor more than \$2000.00 or imprisoned for not more than six (6) months or both. Each day such violation continues shall constitute a separate offense.

(2) Any person who willfully violates any other of the provisions of this Act or any rule or regulation under it, the violation of which is made unlawful under the terms of this Act, and for which no other penalty is prescribed in this Act, or in any other applicable statute, shall be fined not less than \$20.00 nor more than \$200.00 or imprisoned for not more than thirty (30) days or both.

Section 32. *Authority to Study Laws*

The Legislative Research Commission shall make a survey of existing laws relating to child welfare in Kentucky, and on or before December 1, 1951 shall report to the General Assembly and the Gov-

error making recommendations as to necessary changes in such laws to provide a comprehensive, effective and complete Children's Code.

Section 33. *Repealers*

Sections 196.060, 199.130, 199.360, 391.080, and 405.250 to 405.380 of the Kentucky Revised Statutes are hereby repealed. Any other provision of law in conflict with the provisions of this Act are hereby repealed to the extent of such conflict.

Mr. Baer offered the following amendments to said bill, viz:

Amendment No. 1. Amend printed copy of H. B. No. 450, on page 1, section 1, line 6, by inserting the numeral "(3)" immediately preceding the word "Division" as first used.

Amendment No. 2. Amend printed copy of H. B. No. 450, on page 1, section 1, line 12, by striking out the word "of" between the words "health" and "welfare" and substituting in lieu thereof the word "or".

Amendment No. 3. Amend printed copy of H. B. No. 450, on page 2, section 2, line 5, by striking out the word "and" between the words "adopt" and "amend".

Amendment No. 4. Amend printed copy of H. B. No. 450, on page 2, section 2, line 6, by striking out the word "and" and substituting in lieu thereof the word "of".

Amendment No. 5. Amend printed copy of H. B. No. 450, on page 4, section 3, line 3, by striking out the word "Commissioner" and substituting in lieu thereof the word "Commissioner."

Amendment No. 6. Amend printed copy of H. B. No. 450, on page 4, section 3, line 13, by inserting the letter "t" between the letters "a" and "t" in the word "atending".

Amendment No. 7. Amend printed copy of H. B. No. 450, on page 5, section 3, line 28, by striking out the word "shall" and substituting in lieu thereof the word "shall".

Amendment No. 8. Amend printed copy of H. B. No. 450, on page 6, section 7, line 3, by inserting the word "or" between the words "abandoned" and "Neglected".

Amendment No. 9. Amend printed copy of H. B. No. 450,

on page 7, section 7, line 20, by inserting the letter "i" between the letters "V" and "n" in the word "receiving".

Amendment No. 10. Amend printed copy of House Bill No. 450, on page 7, section 7, line 21, by striking out the word "sepaarate" and substituting in lieu thereof the word "separate".

Amendment No. 11. Amend printed copy of House Bill No. 450, on page 10, section 12, line 13, by inserting the word "each" immediately preceding the word "living".

Amendment No. 12. Amend printed copy of House Bill No. 450, on page 10, section 12, line 17, by striking out the word "treminated" and substituting in lieu thereof the word "terminated".

Amendment No. 13. Amend printed copy of House Bill No. 450, on page 11, section 13, line 1, by inserting the numeral "(1)" immediately preceding the word "No".

Amendment No. 14. Amend printed copy of House Bill No. 450, on page 11, section 13, line 3, by striking out the word "alegitimate" and substituting in lieu thereof the words "a legitimate".

Amendment No. 15. Amend printed copy of House Bill No. 450, on page 11, section 13, line 6, by inserting the letter "n" between the letters "i" and "c" in the word "icompetent".

Amendment No. 16. Amend printed copy of House Bill No. 450, on page 12, section 13, line 24, by striking out the word "the" and substituting in lieu thereof the word "such".

Amendment No. 17. Amend printed copy of House Bill No. 450, on page 12, section 14, line 18, by striking out the word "sumbitted" and substituting in lieu thereof the word "submitted".

Amendment No. 18. Amend printed copy of House Bill No. 450, on page 14, section 16, line 28, by striking out the word "adpotive" and substituting in lieu thereof the word "adoptive".

Amendment No. 19. Amend printed copy of House Bill No. 450, on page 15, section 18, line 1, by striking out the letters "ed" in the word "adopted" and inserting in lieu thereof the letters "ion".

Amendment No. 20. Amend printed copy of House Bill No. 450, on page 15, section 18, line 3, by inserting the letter "l" between the letters "l" and "e" in the word "annuled".

Amendment No. 21. Amend printed copy of House Bill No. 450, on page 16, section 20, line 19, by inserting the word "the" between the words "of" and "birth".

Amendment No. 22. Amend printed copy of House Bill No. 450, on page 19, section 25, line 6, by striking out the word "unbale" and substituting in lieu thereof the word "unable".

Amendment No. 23. Amend printed copy of House Bill No. 450, on page 19, section 25, line 21, by striking out the letter "t" between the letters "t" and "m" in the word "committment".

Amendment No. 24. Amend printed copy of House Bill No. 450, on page 19, section 26, line 7, by striking out the letter "c" between the letters "i" and "e" in the word "certified".

Amendment No. 25. Amend printed copy of House Bill No. 450, on page 22, section 28, line 7, by inserting the letter "t" between the letters "i" and "u" in the word "instiution".

Amendment No. 26. Amend printed copy of H. B. 450, on pages 7 and 8, section 9, lines 1 to 36, Strike out all of Section 9 of the Act and insert in lieu thereof the following language:

Section 9. Funds and Accounts. Notwithstanding the provisions of KRS 45.230 and notwithstanding any other provision of the Kentucky Revised Statutes, any unexpended or unencumbered balance of any Social Security appropriation, made available for expenditure by the Department in the administration of its child welfare functions for the first fiscal year of each biennium, remaining at the end of such fiscal year, shall be carried forward and be available for expenditure at any time during the ensuing fiscal year within the biennium and no portion shall lapse to the General Expenditure Fund.

Said amendments to said bill were each and severally agreed to.

Mr. Baer moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	G. I. Drury	Silas Jacobs
Bill Adams	Thomas R. Duncan	Barkley Jones
Edgar Arnett	R. C. Estepp, Sr.	William Jones
Clarence J. Barnum	Mitchell S. Fannin	James W. Lambert
C. E. Baumgardner	Henry C. Hale	Mrs. J. T. Linton
John D. Beatty	James P. Hanratty	Homer E. Losey
Fred Beshear	George F. Harris	A. L. (Chick) Love
R. O. Blevins	Paul E. Hayes	Harry K. Lowman
L. E. Bradley	John A. Head	True Mackey
Thomas L. Britton	Harold G. Helm	John Martin
Mrs. M. E. Burnett	William K. Henry	William T. Marshall
Charles W. Burnley	E. R. Hilton	Jack McPherron
Stanley Carter	Ray Holbrook	Alton Mitchell
Paul Combs	Woodrow W. Hollan	Archie R. Moore
R. Josh Cosby	W. M. Horn	Emmett G. Moore
B. H. Crider	Durham W. Howard	Walter R. Moorman
Owen Deering	Maurice G. Howard	Fred H. Morgan

C. S. Nabb	James S. Shaw	Mrs. Thelma Stovall
Dr. C. E. Palmore	Gus Sheehan, Jr.	W. R. Stringer
Leonard W. Preston	Jesse H. Shelton	Rev. T. H. Tinsley
W. R. Reasor	Forest Smith	Ralph N. Walter
Carl J. Ruh	Joseph T. Snapp	Fred M. Warns
Amos Runyan	John M. Spaulding	Harry Lee Waterfield
LeRoy Saylor	J. Claude Stacy	G. F. Williamson
Roy Searcy	Roy Steers	Charles W. Wirsch
Paul E. Shannon		-76

Resolved that the title thereof be as aforesaid.

Mr. Baer moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Helm moved that the rules be suspended and Terry Smith Wilson be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 445. AN ACT relating to adoptions.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

An adult person over twenty-one years of age may be adopted in the same manner as provided by law for the adoption of a child and with the same legal effect, except that his consent alone to such adoption shall be required.

Mr. Baer moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	William K. Henry	C. S. Nabb
Edgar Arnett	E. R. Hilton	Leonard W. Preston
Sidney Baer	Ray Holbrook	W. R. Reasor
Clarence J. Barnum	Woodrow W. Hollan	Carl J. Ruh
C. E. Baumgardner	W. M. Horn	Amos Runyan
Leonard T. Bean	Richard R. Houpt	Dr. Roy Sanders
John D. Beatty	Durham W. Howard	LeRoy Saylor
Fred Beshear	Maurice G. Howard	Roy Searcy
R. O. Blevins	Silas Jacobs	Paul E. Shannon
L. E. Bradley	Paul S. Jonas	James S. Shaw
Thomas L. Britton	Barkley Jones	Gus Sheehan, Jr.
Mrs. M. E. Burnett	William Jones	Forest Smith
Charles W. Burnley	James W. Lambert	Joseph T. Snapp
Stanley Carter	Mrs. J. T. Linton	John M. Spaulding
Paul Combs	Homer E. Losey	Roy Steers
R. Josh Cosby	A. L. (Chick) Love	Raymond D. Stigall
B. H. Crider	True Mackey	Mrs. Thelma Stovall
G. I. Drury	John Martin	W. R. Stringer
Thomas R. Duncan	William T. Marshall	Rev. T. H. Tinsley
Mitchell S. Fannin	Jack McPherron	Ralph N. Walter
Henry C. Hale	Alton Mitchell	Fred M. Warns
James P. Hanratty	Archie R. Moore	Lyle H. Webb
George F. Harris	Emmett G. Moore	Geo. F. Williamson
Paul E. Hayes	Walter R. Moorman	Charles W. Wirsch
John A. Head	Fred H. Morgan	

Resolved that the title thereof be as aforesaid.

Mr. Baer moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

S. B. No. 16. AN ACT to amend Section 256 of the Constitution of this Commonwealth relating to the amendment of said Constitution.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That Section 256 of the Constitution be amended by repealing said section in its entirety and enacting in lieu thereof the following:

Amendments to this Constitution may be proposed in either house of the General Assembly at a regular session, or, if stated in the original proclamation as a subject to be considered, at a special session, and if such amendment or amendments shall be agreed to by three-fifths of all the members elected to each house, such proposed amendment or amendments, with the yeas and nays of the members of each house taken thereon shall be entered in full in their respective journals. Then such proposed amendment or amendments shall be submitted to the voters of the State for their ratification or rejection at the next general election which occurs not less than ninety days from the final passage of such amendment or amendments, the vote to be taken thereon in such manner as the General Assembly may provide. If it shall appear that a majority of the votes cast for and against an amendment at said election was for the amendment, then the same shall become a part of the Constitution of this Common-

wealth, and shall be so proclaimed by the Governor, and published in such manner as the General Assembly may direct. Said amendments shall be so submitted as to allow a separate vote on each, unless the General Assembly provides for a single vote on two or more amendments. No amendment shall relate to more than one general subject. The approval of the Governor shall not be necessary to any bill, order, resolution or vote of the General Assembly proposing an amendment or amendments to this Constitution.

Sec. 2. This amendment shall be submitted to the voters of the Commonwealth for their ratification, or rejection, at the time and in the manner provided for under Sections 256 and 257 of the Constitution, and under KRS 118.170 and 118.430.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Clarence J. Barnum	John D. Beatty
Bill Adams	C. E. Baumgardner	Fred Beshear
Sidney Baer	Leonard T. Bean	R. O. Blevins

L. E. Bradley	Richard R. Houpt	W. R. Reasor
Thomas L. Britton	Durham W. Howard	Carl J. Ruh
J. D. Buckman, Jr.	Maurice G. Howard	Amos Runyan
Mrs. M. E. Burnett	Robert N. Hubbard	Dr. Roy Sanders
Charles W. Burnley	Silas Jacobs	LeRoy Saylor
Alex Calvert	Paul S. Jonas	Roy Searcy
Stanley Carter	Barkley Jones	Paul E. Shannon
Paul Combs	William Jones	James S. Shaw
R. Josh Cosby	James W. Lambert	Gus Sheehan, Jr.
B. H. Crider	Jesse H. Lawrence	Jesse H. Shelton
Owen Deering	Mrs. J. T. Linton	Forest Smith
G. I. Drury	Homer E. Losey	Joseph T. Snapp
Thomas R. Duncan	A. L. (Chick) Love	John M. Spaulding
Mitchell S. Fannin	Harry K. Lowman	J. Claude Stacy
Henry C. Hale	True Mackey	Roy Steers
C. A. Hammons	John Martin	Raymond D. Stigall
James P. Hanratty	G. Lee McClain	Mrs. Thelma Stovall
George F. Harris	Jack McPherron	W. R. Stringer
Paul E. Hayes	Alton Mitchell	M. G. Thompson
John A. Head	Archie R. Moore	Rev. T. H. Tinsley
Harold G. Helm	Emmett G. Moore	Ralph N. Walter
William K. Henry	Walter R. Moorman	Fred M. Warns
E. R. Hilton	Fred H. Morgan	Harry Lee Waterfield
Ray Holbrook	C. S. Nabb	Morris Weintraub
Woodrow W. Hollan	Dr. C. E. Palmore	Geo. F. Williamson
W. M. Horn	James H. Polsgrove	Charles W. Wirsch

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Those who voted in the negative were—

Edgar Arnett	Leonard W. Preston	—2
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

S. Res. No. 40. A JOINT RESOLUTION providing for payment of ministers of the churches of Frankfort, Kentucky, for performing the duties of chaplain for the General Assembly.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That the sum of twelve hundred dollars (\$1,200.00) is hereby appropriated out of the Legislative Session Fund, one hundred and fifty dollars (\$150.00) of which is to be paid to each of the following named ministers of Frankfort, Kentucky, for performing the duties of Chaplain for the General Assembly:

W. B. Campbell, H. Glenn Stephens, E. W. Baxter, W. P. Wilhoit, Fred T. Moffatt, Father Joseph A. O'Dwyer, O. Leland Gilmore, and Paul S. Stauffer.

Sec. 2. That the Chief Clerk of the Senate shall certify this Resolution to the Commissioner of Finance, who shall draw his warrant upon the State Treasurer for the amounts above designated and the State Treasurer shall pay the same.

WHEREAS, all employees of the General Assembly have been promptly paid for their services and said ministers have been faithful in attending as chaplain, and are also entitled to prompt payment, an emergency is hereby declared to exist and this Resolution shall take effect from and after its passage and approval by the Governor.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Berman Adams	John A. Head	C. S. Nabb
Bill Adams	Harold G. Helm	Dr. C. E. Palmore
Edgar Arnett	William K. Henry	Leonard W. Preston
Sidney Baer	E. R. Hilton	W. R. Reasor
Clarence J. Barnum	Woodrow W. Hollan	Carl J. Ruh
C. E. Baumgardner	W. M. Horn	Amos Runyan
Leonard T. Bean	Richard R. Houpt	Dr. Roy Sanders
John D. Beatty	Durham W. Howard	Paul E. Shannon
Fred Beshear	Robert N. Hubbard	James S. Shaw
R. O. Blevins	Silas Jacobs	Gus Sheehan, Jr.
J. D. Buckman, Jr.	Paul S. Jonas	Jesse H. Shelton
Mrs. M. E. Burnett	Barkley Jones	Forest Smith
Charles W. Burnley	William Jones	Joseph T. Snapp
Alex Calvert	Mrs. J. T. Linton	John M. Spaulding
Stanley Carter	Homer E. Losey	Roy Steers
Paul Combs	Harry K. Lowman	Raymond D. Stigall
R. Josh Cosby	True Mackey	Mrs. Thelma Stovall
Owen Deering	Damon Majors	W. R. Stringer
G. I. Drury	John Martin	Rev. T. H. Tinsley
Thomas R. Duncan	William T. Marshall	Ralph N. Walter
Mitchell S. Fannin	Jack McPherron	Fred M. Warns
Henry C. Hale	Alton Mitchell	Harry Lee Waterfield
C. A. Hammons	Archie R. Moore	Morris Weintraub
James P. Hanratty	Emmett G. Moore	Geo. F. Williamson
George F. Harris	Walter R. Moorman	Charles W. Wirsch
Paul E. Hayes	Fred H. Morgan	

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 69. JOINT RESOLUTION for the benefit of officers and employes of the Senate and the House of Representatives; and declaring an emergency.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That there is hereby appropriated from the Legislative Session Fund additional allowances to cover necessary expenses for the following employes and officers of the Senate and House of Representatives, viz: Assistant Clerks, Enrolling Clerks, Sergeant-at-Arms, Doorkeepers, Cloakroom Keepers, Janitors and Pages, to that compensation provided in KRS 6.230, the sum of Twenty-one Thousand Four Hundred Ninety-eight Dollars (\$21,498).

Section 2. That the Chief Clerk of the Senate shall requisition and the Commissioner of Finance shall draw a warrant for the sum of \$9,510,000 on the State Treasurer of the Commonwealth of Kentucky in favor of the Chief Clerk of the Senate. Such Chief Clerk shall forthwith distribute such expense allowances on the basis of the number of days that such employes and officers served during the regular session of the General Assembly in the year 1950, the rate per day being computed by said Chief Clerk and the Committee on Committees of the Senate on a pro rata basis of the amounts authorized to be paid them by KRS 6.230.

Section 3. The Chief Clerk of the House of Representatives shall requisition and the Commissioner of Finance shall

draw a warrant for the sum of \$11,988.00 on the State Treasurer of the Commonwealth of Kentucky in favor of the Chief Clerk of the House of Representatives. Such Chief Clerk shall forthwith distribute to the employes and officers of the House of Representatives such expense allowances on the basis of the number of days that such employes and officers served during the regular session of the General Assembly in 1950, the rate per day to be computed by the said Chief Clerk and the Speaker of the House of Representatives on a pro rata basis of the amounts authorized to be paid them by KRS 6.230.

All Acts or parts of Acts in conflict herewith to the extent of such conflict are hereby repealed.

WHEREAS, the General Assembly will within a short time adjourn and the employes and officers will depart for various sections of the state, an emergency is hereby declared to exist, and this resolution shall be effective from and after its passage and approval by the Governor of the Commonwealth.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	C. S. Nabb
Bill Adams	Harold G. Helm	Dr. C. E. Palmore
Edgar Arnett	William K. Henry	Leonard W. Preston
Sidney Baer	E. R. Hilton	W. R. Reasor
Clarence J. Barnum	Woodrow W. Hollan	Carl J. Ruh
C. E. Baumgardner	W. M. Horn	Amos Runyan
Leonard T. Bean	Richard R. Houpt	Dr. Roy Sanders
John D. Beatty	Durham W. Howard	Paul E. Shannon
Fred Beshear	Robert N. Hubbard	James S. Shaw
R. O. Blevins	Silas Jacobs	Gus Sheehan, Jr.
J. D. Buckman, Jr.	Paul S. Jonas	Jesse H. Shelton
Mrs. M. E. Burnett	Barkley Jones	Forest Smith
Charles W. Burnley	William Jones	Joseph T. Snapp
Alex Calvert	Mrs. J. T. Linton	John M. Spaulding
Stanley Carter	Homer E. Losey	Roy Steers
Paul Combs	Harry K. Lowman	Raymond D. Stigall
R. Josh Cosby	True Mackey	Mrs. Thelma Stovall
Owen Deering	Damon Majors	W. R. Stringer
G. I. Drury	John Martin	Rev. T. H. Tinsley
Thomas R. Duncan	William T. Marshall	Ralph N. Walter
Mitchell S. Fannin	Jack McPherron	Fred M. Warns
Henry C. Hale	Alton Mitchell	Harry Lee Waterfield
C. A. Hammons	Archie R. Moore	Morris Weintraub
James P. Hanratty	Emmett G. Moore	G. F. Williamson
George F. Harris	Walter R. Moorman	Charles W. Wirsch
Paul E. Hayes	Fred H. Morgan	—77

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 371. AN ACT relating to timberland assessments.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Subsection (2) of Section 149.152 of the Kentucky Revised Statutes is amended to read as follows:

(2) It shall be the duty of each owner of timberland situated in the county to list or have listed such property with the county tax commissioner between January 1 and March 1 of each year, beginning in the year 1951.

Sec. 2. Section 149.155 of the Kentucky Revised Statutes is amended to read as follows:

(1) The sheriff shall collect the assessment at the same time and in the same manner in which he collects the state and county ad valorem tax. He shall issue a receipt to the taxpayer, report to the county court, and make his annual and final settlements with the fiscal court at the same time and in the same manner provided by law for his report and settlement of the annual county ad valorem tax.

(2) The assessment shall become due and payable on September 15 following the date the timberland acreage was required to be listed with the county tax commissioner, except that assessments based on listings required to be made in the year 1949 shall become due on September 15, 1950. All assessments shall become delinquent on January 1 following their due date, except that assessments which are due and payable in the year 1949 shall not become delinquent until March 1, 1950.

(3) Any assessments which are not paid by the date when they become delinquent shall be subject to a penalty of six percent on the assessment due and unpaid, except that assessments which become delinquent on January 1 shall be subject to a penalty of only two percent on the assessment due and unpaid, if paid on or before the last day of January. The sheriff shall collect the penalty and account for it in the same manner as

he is required to collect and account for the annual county ad valorem tax.

Mr. Tinsley moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Thomas R. Duncan	Durham W. Howard
Bill Adams	Mitchell S. Fannin	Maurice G. Howard
Edgar Arnett	C. A. Hammons	Silas Jacobs
Clarence J. Barnum	James P. Hanratty	Paul S. Jonas
C. E. Baumgardner	George F. Harris	Barkley Jones
John D. Beatty	Paul E. Hayes	Jesse H. Lawrence
L. E. Bradley	Harold G. Helm	Mrs. J. T. Linton
Thomas L. Britton	William K. Henry	Homer E. Losey
J. D. Buckman, Jr.	E. R. Hilton	Harry K. Lowman
Mrs. M. E. Burnett	Ray Holbrook	True Mackey
Charles W. Burnley	Woodrow W. Hollan	John Martin
Paul Combs	W. M. Horn	G. Lee McClain
B. H. Crider	Richard R. Houpt	Jack McPherron

Alton Mitchell	James S. Shaw	Raymond D. Stigall
C. S. Nabb	Gus Sheehan, Jr.	W. R. Stringer
James H. Polsgrove	Forest Smith	M. G. Thompson
Leonard W. Preston	Joseph T. Snapp	Rev. T. H. Tinsley
W. R. Reasor	John M. Spaulding	Ralph N. Walter
Carl J. Ruh	J. Claude Stacy	Harry Lee Waterfield
Paul E. Shannon	Roy Steers	Charles W. Wirsch

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Those who voted in the negative were—

R. O. Blevins	Archie R. Moore	Fred H. Morgan
A. L. (Chick) Love	Walter R. Moorman	Dr. C. E. Palmore

—6

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 370. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. An outgoing sheriff, as soon as his successor has been qualified and inducted into office and his official bond approved, shall immediately vacate his office, deliver to his successor all books, papers, records and other property held by virtue of his office, and make a complete settlement of his accounts as sheriff. All unpaid tax bills in the possession of the sheriff upon the date of expiration of his term shall be turned over to the incoming sheriff, who shall collect and account for them as provided by law. The compensation for collecting these unpaid tax bills shall be the same as is allowed the sheriff for collecting other tax bills, provided that in the year 1950 outgoing

sheriffs who have elected to act as special tax collectors shall make their settlements in the same manner as sheriffs.

Section 2. Section 134.210 of the Kentucky Revised Statutes is repealed.

Mr. Stigall moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	B. H. Crider	Silas Jacobs
Clarence J. Barnum	Owen Deering	Paul S. Jonas
C. E. Baumgardner	G. I. Drury	William Jones
Leonard T. Bean	Mitchell S. Fannin	Jesse H. Lawrence
John D. Beatty	Henry C. Hale	Mrs. J. T. Linton
Fred Beshear	James P. Hanratty	Harry K. Lowman
R. O. Blevins	George F. Harris	True Mackey
L. E. Bradley	William K. Henry	John Martin
Thomas L. Britton	E. R. Hilton	G. Lee McClain
Mrs. M. E. Burnett	Ray Holbrook	Alton Mitchell
Charles W. Burnley	Woodrow W. Hollan	Emmett G. Moore
Alex Calvert	W. M. Horn	Fred H. Morgan
Stanley Carter	Richard R. Houpt	C. S. Nabb
R. Josh Cosby	Durham W. Howard	Dr. C. E. Palmore

Leonard W. Preston	James S. Shaw	W. R. Stringer
W. R. Reasor	Forest Smith	M. G. Thompson
Carl J. Ruh	John M. Spaulding	Rev. T. H. Tinsley
Amos Runyan	J. Claude Stacy	Ralph N. Walter
Dr. Roy Sanders	Roy Steers	Fred M. Warns
Roy Searcy	Raymond D. Stigall	Morris Weintraub
Paul E. Shannon	Mrs. Thelma Stovall	Charles W. Wirsch

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Those who voted in the negative were—

C. A. Hammons	A. L. (Chick) Love	Jack McPherron
Homer E. Losey	William T. Marshall	LeRoy Saylor

—6

Resolved that the title thereof be as aforesaid.

Mr. Helm moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 219. AN ACT to amend and reenact Section 126.160 and Section 126.170 and Section 126.990, Kentucky Revised Statutes, relating to absent voting, providing for form of application for ballots, affidavits, verification of registration, preservation of applications for all absentee voters' ballots, registration of applicants in Armed Forces, and providing a penalty for the violation thereof.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That Section 126.160 of the Kentucky Revised Statutes be and the same is hereby amended and reenacted so that, when reenacted, the same shall read as follows, to-wit:

126.160. *Form of application for ballot; affidavit.* Applications for absent voter's ballots shall be signed and sworn to by the absent voter before the county court clerk, or before a civil officer authorized by law to administer an oath. The application shall be substantially in the following form:

"County Court Clerk of _____ County.
_____, Kentucky.

"I, _____, state that I am a resident of the State of Kentucky and have been such for at least one year prior to the date hereof. I am a resident of _____ County and have been such for more than six months prior to said date, and am a resident of _____ precinct of said county (or _____ ward of the city of _____, county of _____) and have been such for at least sixty days prior to said date; that I am a duly qualified voter of said precinct (or said ward), and I am affiliated with the _____ political party; that my present Post Office address is _____, and that I am a white male colored person, and a female person, and _____ years of age; that in the course of my business or duties I expect to be absent from said precinct or ward on the election to be held in said precinct or ward on the _____ day of _____, 19____, and I will not vote elsewhere at said election. I request that an official ballot be mailed to me at the following address:

(Name and Address)

(Rank and unit if member of
Armed Forces)

(Voter must sign here, and oath must
be administered and attested.)

"Subscribed and sworn to before me this _____ day of
_____, 19____.

(Name and Official Title)".

Sec. 2. That Section 126.170 Kentucky Revised Statutes be and the same is hereby amended and reenacted so that, when reenacted, the same shall read as follows, to-wit:

126.170. *Registration, verification and preservation of applications of registered and non-registered absent voters' ballots; list of all applications; preservation of applications; registration of applicants in Armed Forces.* Upon receipt of any application for an absent voter's ballot, the county court clerk shall examine the registration books for the purpose of ascertaining whether or not the applicant is a registered voter as stated in the application. If the county court clerk finds that the applicant is so registered, he shall forward a ballot to the voter as provided in KRS 126.190. If the county court clerk does not find the applicant to be so registered, and if the application does not indicate that the applicant is a member of the Armed Forces, the clerk shall immediately mail a letter to the applicant, at the address stated in the application, advising him that his application cannot be honored because of the fact that he is not registered, and advising him what period of time, if any, remains in which he may register prior to such election, and the clerk shall place the application in a file entitled "Nonregistered Applicants for Absent Voter's Ballots." If the clerk thereafter, and prior to the election, receives notice from the applicant advising the clerk that the applicant has registered, the clerk shall again examine the registration books, and if he finds that the applicant has registered, he shall remove the application from the non-registered applicants' file and forward a ballot as provided in KRS 126.190. All applications for absentee ballots received by the Clerk, whether the applicant is registered or not registered, shall be retained, preserved and filed by the clerk, in alphabetical order, in a secure place in his office. At the expiration of one year, the clerk may destroy all applications except where the right of the voter to cast a legal vote has been challenged. The clerk shall keep a register of each application, which shall be a permanent record, showing the following: Name of applicant, address, age, sex, color, party affiliation, precinct number where the voter claims the right to vote, and the date of application. If the application of a person found not to be registered indicates that the applicant is a member of the Armed Forces, the

county court clerk, upon being satisfied that the applicant is entitled to be registered, shall cause the applicant to be registered in the registration records of the proper precinct, and shall mark upon such registration records the words "Absentee Registration." Such registration may be made at any time prior to the election for which an absent voter's ballot is applied for.

Sec. 3. That Section 126.990 of Kentucky Revised Statutes be and the same is hereby amended and reenacted so that, when reenacted, the same shall read as follows:

126.990. *Penalties.* (1) Any person who, for the purpose of voting under the provisions of KRS 126.140 to 126.320, swears to or affirms an application for an absent voter's ballot, or swears to or affirms the oath on the inner envelope for an absent voter's ballot, knowing that the same contains any false statement, shall be confined in the penitentiary for not less than one nor more than five years.

(2) Any county court clerk or election officer who wilfully refuses or fails to perform any of the duties required of him by KRS 126.140 to 126.320, or who in any manner wilfully violates or abuses any trust or duty imposed on him by those sections, shall be fined not less than one hundred dollars nor more than one thousand dollars.

(3) Any person who, by threat, bribery, corrupt or arbitrary measure, offer or payments of reward, or by other unlawful means, interferes with any qualified voter in the free exercise of his right to vote under the provisions of KRS 126.140 to 126.320, shall be fined not less than one hundred dollars nor more than one thousand dollars.

Mr. Snapp moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	Leonard W. Preston
Edgar Arnett	Harold G. Helm	W. R. Reasor
Clarence J. Barnum	William K. Henry	Carl J. Ruh
C. E. Baumgardner	E. R. Hilton	Dr. Roy Sanders
Leonard T. Bean	Ray Holbrook	LeRoy Saylor
John D. Beatty	Woodrow W. Hollan	Roy Searcy
Fred Beshear	Richard R. Houpt	Paul E. Shannon
R. O. Blevins	Durham W. Howard	Gus Sheehan, Jr.
L. E. Bradley	Silas Jacobs	Joseph T. Snapp
Thomas L. Britton	Barkley Jones	John M. Spaulding
Mrs. M. E. Burnett	William Jones	J. Claude Stacy
Charles W. Burnley	Mrs. J. T. Linton	Roy Steers
Stanley Carter	Homer E. Losey	Raymond D. Stigall
Paul Combs	A. L. (Chick) Love	Mrs. Thelma Stovall
R. Josh Cosby	Harry K. Lowman	W. R. Stringer
B. H. Crider	True Mackey	M. G. Thompson
Owen Deering	Jack McPherron	Rev. T. H. Tinsley
G. I. Drury	Alton Mitchell	Ralph N. Walter
Thomas R. Duncan	Emmett G. Moore	Fred M. Warns
Mitchell S. Fannin	Fred H. Morgan	Harry Lee Waterfield
Henry C. Hale	C. S. Nabb	Morris Weintraub
C. A. Hammons	Dr. C. E. Palmore	G. F. Williamson
James P. Hanratty	James H. Polsgrove	Charles W. Wirsch
George F. Harris		

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There voted in the negative—

Jesse H. Lawrence

—1

Resolved that the title thereof be as aforesaid.

Mr. Hilton moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills and a resolution which originated in that body of the following titles, viz:

S. B. No. 225. AN ACT relating to sewer and drainage facilities in cities of the first class and in counties containing such cities, amending and re-enacting Sections 76.130 and 76.060 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. That Kentucky Revised Statutes 76.130 be amended and re-enacted to read as follows:

76.130 Deposit and paying out of monies of District. All monies of the District, from whatever source derived, shall be paid to the Secretary-Treasurer. Such monies shall be deposited in the name of the District by the Secretary-Treasurer, in one or more banks or trust companies, situated in the county in which said city is located, having a capital and surplus of not less than \$500,000. The District may require that any or all such deposits be continuously secured by the pledge of direct obligations of the United States of America, having such value as may be satisfactory to the District. Such securities shall either be deposited with the Secretary-Treasurer or be held by a trustee or agent satisfactory to the District. In lieu of any such pledge of such securities, such funds may be secured by corporate surety bond or bonds, which shall be in form, sufficiency, and substance satisfactory to the District. All banks and trust com-

panies are authorized to give such security for such deposits. The monies in such accounts shall be paid out by the Secretary-Treasurer on warrants signed by the Secretary-Treasurer and countersigned by the Chairman or vice-Chairman of the Board, or signed and countersigned by such other persons as the Board may from time to time designate by resolution.

SECTION 2. That Kentucky Revised Statutes be amended and re-enacted so as to read as follows:

76.060 Officers and Employes. The Board shall in July of each year, elect from its members a Chairman and a vice-Chairman, who shall be of different political party affiliation. It shall employ a Secretary-Treasurer and a Chief Engineer, neither of whom shall be a member of the Board, to serve at the pleasure of the Board. The Secretary-Treasurer and the Chief Engineer shall each devote his entire time and attention exclusively to the services of the Board. The Board may employ, and remove at pleasure, professional and technical advisers, experts, and other employees, skilled or unskilled, as it deems requisite for the performance of its duties. The Board shall require the Secretary-Treasurer and the Chief Engineer each to execute bond and may exact from such of its other officers and employes bonds as it may deem expedient. All such bonds shall be payable to the District in such sums as the Board may fix, with approved corporate surety, and premiums therefor shall be paid by the District. Such bonds shall obligate the makers thereof to faithfully perform the duties of their respective offices and positions and to fully account for and pay over all money, property or other thing of value of the District, which may come to their hands, respectively. The Board shall fix the salaries and compensation of the officers and employes it engages, which salaries and compensation however shall be in line with that paid by the city and county for similar services.

S. B. No. 245. AN ACT relating to drugs and drug stores or pharmacies.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. *Pharmacies required to obtain permit after July 1, 1950.* No person shall open, establish, operate or maintain a pharmacy without obtaining a permit from the Kentucky Board of Pharmacy.

Sec. 2. (1) No permit shall be issued for the conduct of a pharmacy except upon evidence satisfactory to the Kentucky Board of Pharmacy that:

(a) The pharmacy for which the permit is sought will be conducted in full compliance with the law and the rules and regulations of the board; and

(b) The person applying for the permit is qualified to conduct the pharmacy.

(2) All current permits must be conspicuously displayed visible to the general public.

(3) Every pharmacy must be equipped with proper pharmaceutical utensils so that prescriptions can be properly filled and United States Pharmacopoeia and National Formulary preparations properly compounded. The Kentucky Board of Pharmacy shall prescribe the minimum of such professional and technical equipment which a pharmacy shall at all times possess and such list shall include the latest revision of the United States Pharmacopoeia and the National Formulary, and all supplements to either of them. The premises of every pharmacy shall be kept in a clean and orderly manner. No permit shall be issued or continued for the conduct of a pharmacy unless the provisions of this subsection are complied with.

Sec. 3. (1) Applications for a permit required by this Act shall be made on forms prescribed and furnished by the Kentucky Board of Pharmacy.

(2) Applications for a permit to open a new pharmacy shall be made at least thirty days before the pharmacy is to be opened for business.

(3) A fee of not more than ten dollars per year, to be determined by the Board, shall be charged for each permit to operate

a retail drug store. Such permit shall expire on June 30 of each year.

Sec. 4. Separate applications shall be made and separate permits issued for each separate place at which is carried on any of the operations for which a permit is required. Each permit issued under this Act shall be conspicuously exposed to the general public in the place for which it was granted. Permits shall not be transferable.

Sec. 5. (1) The Board may, after notice and hearing as prescribed in subsection (2) and (3) of this section, refuse, revoke or suspend any permit when the Board finds that the permit was obtained by fraudulent means, or that the operations for which the permit was issued or is applied for are not being conducted or will not be conducted according to law or are being so conducted as to endanger the public health and safety.

(2) The Kentucky Board of Pharmacy may, on its own motion or on a verified complaint, issue a notice to any registrant or permittee to show cause why his certificate or permit should not be suspended or revoked, or a notice to any applicant to show cause why his application for registration or for a permit should not be denied. The notice shall contain a copy of the charge and shall state the time and place at which the hearing is to be conducted. The date of the hearing shall not be less than ten days from the date the notice is received by the applicant, registrant or permittee.

(3) Members of the Board and its Executive Secretary-Treasurer may administer oaths and take evidence in any hearing conducted by the Board. The Board shall, at all hearings, receive the testimony of all witnesses and accept all documentary evidence relevant to the issue.

Sec. 6. Any person having an interest in the matter may, within thirty days of the effective date of the order, appeal from any order of the Board denying, revoking or suspending a certificate or permit, by filing a certified copy of the order in their circuit court together with a bond approved by the clerk to insure the payment of costs. The appeal shall be docketed and

tried in the manner provided by law for equity cases. From the judgment of the circuit court any party having an interest therein may appeal in the manner provided by law to the Court of Appeals.

Sec. 7. The Kentucky Board of Pharmacy and its duly appointed agents may inspect in a lawful manner the drugs that are manufactured, packed, packaged, sold, offered for sale, exposed for sale or kept for sale in this state, and for this purpose may enter and inspect, during business hours, any place in this state where drugs are manufactured, packed, packaged, made, sold, offered for sale, exposed for sale, dispensed or kept for sale.

Sec. 8. The Kentucky Board of Pharmacy may, in addition to the criminal penalties prescribed for violating this Act apply to a court having jurisdiction for an injunction to restrain repetitious violations of the provisions of this Act.

Sec. 9. Any person who violates any of the provisions of this Act shall be fined not less than one hundred dollars or imprisonment in the county jail for not more than ninety days, or both, for each violation and each day the violation continues shall constitute a separate and distinct offense. Upon conviction of a permittee, his permit may be revoked by the Kentucky Board of Pharmacy and become void, without notice of hearing.

Sec. 10. All fees shall be paid into the State Treasury and placed in an agency fund to be spent by the State Board of Pharmacy for the enforcement of this Act. The board may employ such investigators, chemists, agents and other assistants as it deems necessary to carry out the provision of this Act.

Sec. 11. This Act shall not become effective until June 30, 1950.

S. B. No. 252. AN ACT relating to the State Board of Health.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 211.050 of the Kentucky Revised Statutes is amended to read as follows:

The members of the State Board of Health shall hold office for terms of four years and until their successors are appointed and qualify. In the appointment of successors and the filling of vacancies the classification of membership provided for in KRS 211.040 shall be observed. Any vacancy in the board occurring before the expiration of a term shall be filled by the Governor for the unexpired term subject to confirmation by the Senate, except that the member appointed to fill the first vacancy occurring for a term expiring on January 1, 1954 and a member appointed to fill a vacancy occurring for the term expiring on September 7, 1952 shall be appointed to terms expiring on December 31, 1952. The terms of all present and future members of the board shall expire on December 31 of the fourth year of their respective terms.

S. B. No. 255. AN ACT relating to the Disposal of Public Records.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION ONE. (1) Any department, agency, commission, board or institution of the state government may, upon a finding by the principal officer thereof that public records maintained by said department, agency, commission, board or institution are of no further value, immediately destroy said records, unless otherwise provided by law.

(2) There is hereby created a board composed of the Commissioner of Finance, the Attorney General, the Auditor of Public Accounts, the Clerk of the Court of Appeals, and the Secretary-Treasurer of the Kentucky Historical Society, to be known as the Records Control Board. Said Board shall have the

authority to promulgate rules and regulations pertaining to the disposal of public records as defined in KRS 12.140, and said board is hereby further authorized to direct, upon investigation and determination, that any public records maintained by any department, agency, board, commission or institution of the State Government be destroyed or otherwise disposed of as the board may direct.

(3) The provisions of this section shall not be construed to repeal any existing laws pertaining to the maintenance of public records, and any directions, rules and regulations by the herein created board shall be made subject to such laws.

WHEREAS, the storage of public records is occupying valuable office space and hampering considerably the necessary expansion of state agencies, and

WHEREAS, said storage in many instances constitutes a considerable fire hazard,

NOW, THEREFORE, an emergency is hereby declared to exist and this act shall take effect upon its passage and approval by the Governor.

S. B. No. 261. AN ACT relating to county law libraries in counties containing a city of the first class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In counties having a city of the first class, the Fiscal Court is hereby authorized to establish a county law library and may designate the free public library of said city as the librarian and annually appropriate and pay over to said librarian such amount as the fiscal court determines is proper out of the county levy for the establishment, maintenance and operation of said county law library. This is an alternate method to that provided in KRS 172.100 to 172.160.

S. Res. No. 47. A RESOLUTION electing on behalf of the Department of Conservation, the Division of Forestry and of the Commonwealth of Kentucky to operate under the provisions of the Workmen's Compensation Act insofar as the employment of Luther E. Sowders was concerned; and authorizing the filing of a claim with the Workmen's Compensation Board; directing that a hearing be held by said Board to ascertain whether Luther E. Sowders was at the time of his death an employee of the Department of Conservation, Division of Forestry or of the Commonwealth of Kentucky, and to determine whether he met his death as a result of an accident arising out of and in the course of his employment by the Commonwealth of Kentucky or a division or agency thereof, and providing for the payment of benefits to his widow if awarded by the Workmen's Compensation Board.

Said resolution is as follows, viz:

WHEREAS, on June 23, 1948, and for a long time prior thereto, Luther E. Sowders was an employee of the Division of Forestry in the Department of Conservation of the Commonwealth of Kentucky, and was assigned as a guard and as a part of his duties he was required to drive a motor vehicle known as a Dodge Weapon Carrier, license No. T8-701, and

WHEREAS, on or about June 23, 1948, while the said Luther E. Sowders was on duty in the regular course of his employment, the motor vehicle which he was driving, and which was not in a good state of repair, left the highway at a point about two miles west of the Ranger's Headquarters, skidded and turned over against a pine tree crushing the roof of the wooden cab so that Luther E. Sowders, the driver, was fatally injured and as the direct and approximate result of said injuries he died on or about the 29th day of June, 1948, and,

WHEREAS, said Luther E. Sowders at the time of and prior to said accident had been in good health, free of any maladies or disabilities, and had been regularly employed, and,

WHEREAS, there was left surviving him his widow, Sally Sowders, and four infant children, namely, Edward S. Sowders,

now six years of age; Betty J. Sowders, now four years of age; Arthur Lee Sowders, now three years of age, and Bobby Sowders, now two years of age, and each of whom are dependent upon their mother for support, maintenance, and education, and,

WHEREAS, the widow, Sally Sowders, devoted her full time during her marriage to Luther E. Sowders to managing their home and looking after and caring for their children and did not accept employment of any kind and did not undertake to train herself for any type of gainful employment and is now without means of adequately or at all supporting her children or herself, and,

WHEREAS, Luther E. Sowders was unable to and did not accumulate any substantial estate during his lifetime, and,

WHEREAS, Sally Sowders lost, her husband and her four infant children lost their father as a result of the accidental injuries sustained by him which arose out of and in the course of his employment by the Division of Forestry, Department of Conservation of the Commonwealth of Kentucky, and,

WHEREAS, many of the departments and agencies of the Commonwealth of Kentucky and their employees have operated and are now operating under the provisions of the Workmen's Compensation Act, and,

WHEREAS, the Division of Forestry, the Department of Conservation, and the Commonwealth of Kentucky have a moral obligation to compensate the widow of the decedent and her infant children by reason of the death of Luther E. Sowders,

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Department of Conservation, the Division of Forestry, and the Commonwealth of Kentucky hereby elect to accept and avail themselves of the provisions of the Work-

men's Compensation Act insofar as the employment of Luther E. Sowders is and was concerned, and the Workmen's Compensation Board hereby is authorized and directed to permit Sally Sowders to file a claim for compensation with said Board within twelve months from the effective date of this Resolution.

Section 2. The Workmen's Compensation Board hereby is authorized and directed to conduct a hearing and to ascertain whether Luther E. Sowders was an employee of the Division of Forestry, Department of Conservation, and of the Commonwealth of Kentucky at the time he sustained the accidental injuries which resulted in his death, and whether he sustained such injuries as the result of an accident arising out of and in the course of his employment and whether he died as a result of such injuries. If the Workmen's Compensation Board as a result of such hearing determines that Luther E. Sowders was employed by the Division of Forestry, Department of Conservation of the Commonwealth of Kentucky, and that he sustained injuries from an accident arising out of and in the course of his employment, and that as a result thereof he died, the Board is authorized and directed to award to his widow, Sally Sowders, the compensation to which she is entitled under the present provisions of the Workmen's Compensation Act.

Section 3. Should the Workmen's Compensation Board determine that it is for the best interest of either party, it may order that the compensation awarded to Sally Sowders be paid in a lump sum. The order of the Workmen's Compensation Board awarding compensation to Sally Sowders shall be certified by said Board to the Commissioner of Finance who hereby is authorized and directed to draw his warrant or warrants in payment thereof upon the State Treasurer, and the same shall be paid out of the General Fund or out of any other funds in the State Treasury not otherwise appropriated.

S. B. No. 69. AN ACT relating to telephone cooperative, nonprofit corporations, rural telephones and telephone services; and declaring an emergency.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. *Definitions:* As used in this Act, unless the context requires otherwise:

(1) "Cooperative" means any corporation organized under this Act or which becomes subject to this Act in the manner hereinafter provided.

(2) "Person" means any natural person, firm, association, corporation, business trust or partnership.

(3) "Telephone service" means any communication service whereby voice communication through the use of electricity is the principal intended use thereof, and shall include all telephone lines, facilities or systems used in the rendition of such service.

(4) "Acquire" means to construct, purchase, obtain by lease, devise, gift or by eminent domain, or to obtain by any other lawful means.

(5) "Board" means the board of trustees of a corporation formed under this chapter.

(6) "Federal Agency" means and includes the United States, the President of the United States, and all Federal authorities, instrumentalities and agencies in the ordinary sense.

(7) "Improve" means to construct, reconstruct, extend, enlarge, alter, better or repair.

(8) "Member" means and includes each person signing the articles of incorporation of a corporation formed under this Chapter, each person later admitted to membership according to Law or according to the articles of incorporation or bylaws of the corporation and each common stockholder in a corporation, having capital stock, organized under this Chapter.

(9) "Obligations" means and includes negotiable bonds, notes, debentures, interim certificates or receipts and all other evidences of indebtedness either issued or the payment thereof assumed by a corporation organized under this Chapter.

(10) "System" means and includes any plant, works, facilities and properties, and all parts thereof and appurtenances thereto, used or useful in the operation and maintenance of telephone communication service.

(11) As used in this act, the term "Rural area" shall be deemed to mean any area of this State not included within the boundaries of any incorporated or unincorporated city, village or borough having a population in excess of fifteen hundred (1500) inhabitants.

(12) "Telephone Company" means any natural person, firm, association, corporation or partnership owning, leasing or operating any line, facility or system used in the furnishing of telephone service within this state.

Sec. 2. Who may incorporate; purposes of incorporation.

Any five or more natural persons, a majority of whom are citizens of Kentucky, may, by executing, filing and recording articles of incorporation as provided in Sections 3 and 5 of this Act, form a nonprofit cooperative corporation to promote and encourage the fullest possible use of telephone service in this state by making facilities for such service available to persons in rural areas of the state at the lowest cost consistent with sound business methods and prudent management.

Sec. 3. Articles of Incorporation.

(1) The articles of incorporation of a corporation formed under this Act shall be entitled "Articles of Incorporation of _____ Rural Telephone Cooperative Corporation" and shall recite that they are executed pursuant to this Act and shall state:

- (a) the name of the Corp.
- (b) the address of its principal office.
- (c) the names and addresses of the incorporators.
- (d) the names and addresses of its trustees.
- (e) a general description of the territory in which it proposes to operate.

(2) If a Cooperative desires to issue non-voting shares of stock, its articles of incorporation, in addition to the provisions of subsection (1) of this section, shall state:

(a) the total number of such shares of stock which may be issued and the par value of each share;

(b) the fixed or maximum rate of dividends on the par value of such shares of stock, in either case not exceeding four per centum per annum, and whether dividends shall be cumulative or non-cumulative.

(c) whether such shares of stock may be issued to members only or to members and non-members;

(d) the maximum number of such shares of stock which may be owned by any person;

(e) the terms and conditions on which such shares of stock may be transferred, redeemed or retired.

Sec. 4. *Name.*

The name of a cooperative shall include the words "Telephone" and "Cooperative," and the abbreviation "Inc.," unless, in an affidavit made by its president or vice-president, and filed with the Secretary of State, or in an affidavit made by a person signing articles of incorporation, consolidation, merger or conversion, which relates to such cooperative, and filed, together with any such articles, with the Secretary of State, it shall appear that the cooperative desires to do business in another state and is or would be precluded therefrom by reasons of the inclusion of such words or either thereof in its name. The name of a cooperative shall be distinct from the name of any other cooperative or corporation organized under the laws of, or authorized to do business in, this State. This section shall not apply to any corporation which becomes subject to this Act by complying with the provisions of Section (17) of this Act, or which does business in this State pursuant to Section (27) of this Act and which elects to retain a corporate name which does not comply with this section.

Sec. 5. *Filing and approval of articles; when corporation may begin business.*

(1) The incorporators shall execute four copies of the articles of incorporation, and each incorporator shall acknowledge each copy before an officer authorized to take acknowledgments of deeds. They shall then file the four copies, together with the certificate of acknowledgment, in the office of the Secretary of State. If the Secretary of State finds the articles to be legal and valid, he shall immediately endorse his approval on each of the copies, retain, record and file one copy in his office, and deliver the other three copies, with his approval endorsed thereon, to the incorporators. The incorporators shall then file one approved copy in the office of the county clerk of the

county in which the principal office of the corporation is to be located.

(2) As soon as the Secretary of State has endorsed his approval on the articles of incorporation, the proposed corporation shall be a body politic and corporate and may transact business in its corporate name.

Sec. 6. General Powers of rural telephone cooperative corporations. Each corporation organized under the provisions of this chapter shall have power:

(1) To furnish, improve and expand telephone service in rural areas to its members, to governmental agencies and political subdivisions, and to other persons not in excess of ten per centum of the number of its members, provided, however, that, without regard to said ten per centum limitations, telephone service may be made available by a cooperative through inter-connection of facilities to any number of subscribers of other telephone systems, and through pay stations to any number of users; and provided, further, that a cooperative which acquires existing telephone facilities in rural areas may continue service to persons, not in excess of forty per centum of the number of its members, who are already receiving service from such facilities without requiring such persons to become members but such persons may become members upon such terms as may be prescribed in the bylaws; and provided, further, that no cooperative shall (1) construct or operate any line, facility or system in any rural area being furnished telephone service by any telephone company or other cooperative unless the Public Service Commission shall determine, after hearing on reasonable notice to all interested parties, that any such telephone company or other cooperative is unwilling or unable to furnish reasonably adequate telephone service in such area, or (2) furnish any telephone service in any area proposed to be served by any telephone company, which may be found to be ready, willing and able to serve, within such period of time as may, after hearing, be determined to be reasonable by the Public Service Commission;

(2) To construct, purchase, lease as lessee, or otherwise acquire, and to improve, expand, install, equip, maintain, and operate, and to sell, assign, convey, lease as lessor, mortgage,

pledge, or otherwise dispose of or encumber, telephone lines, facilities or systems, lands, buildings, structures, plants and equipment, exchanges, and any other real or personal property, tangible or intangible, which shall be deemed necessary, convenient or appropriate to accomplish the purpose for which the cooperative is organized; provided, that no cooperative shall construct, purchase, lease as lessee, take, receive, or otherwise acquire, improve, expand, install, equip, maintain, or operate any telephone lines, facilities or system, lands, buildings, structures, plants and equipment, exchanges, or any other real or personal property tangible or intangible, within the boundaries of any incorporated or unincorporated city, town, village, or borough within this State having a population in excess of one thousand five hundred inhabitants, unless said procedures or any of them are determined by the Administrator of the Rural Electrification Administration to be necessary in order to furnish or improve telephone service in rural areas, and unless said determination by the Administrator of the Rural Electrification Administration, after proper hearing on reasonable notice to all interested parties, be approved by the Public Service Commission of the Commonwealth of Kentucky. In case of such a determination by the Administrator of the Rural Electrification Administration as aforesaid with approval by the Kentucky Public Service Commission, nothing contained in this section or elsewhere provided in this chapter shall deprive any corporation organized under this chapter or foreign corporation doing business in this state pursuant to this chapter, of the power to improve, expand, construct, acquire and operate telephone lines, facilities, or systems without regard to their geographical location.

(3) To connect and interconnect its telephone lines, facilities or systems with other telephone lines, facilities or systems;

(4) To make its facilities available to persons furnishing telephone service within or without this State;

(5) To purchase, lease as lessee, or otherwise acquire, and to use, and exercise and to sell, assign, convey, mortgage, pledge or otherwise dispose of or encumber, franchises, rights, privileges, licenses and easements;

(6) To issue membership certificates and non-voting shares of stock as hereinafter provided;

(7) To borrow money and otherwise contract indebtedness, and to issue or guarantee notes, bonds, and other evidences of indebtedness, and to secure the payment thereof by mortgage, pledge, or deed of trust of, or any other encumbrance upon, any or all of its then owned or after-acquired real or personal property, assets, franchises, or revenues;

(8) To construct, maintain and operate telephone lines along, upon, under and across publicly owned lands and public thoroughfares, including, without limitation, all roads, highways, streets, alleys, bridges and causeways;

(9) To exercise the power of eminent domain in the manner provided by the laws of this State for the exercise of such power by other corporations constructing or operating telephone lines, facilities or systems;

(10) To become a member of other cooperatives or corporations or to own stock therein;

(11) To conduct its business and exercise its powers within or without this State;

(12) To adopt, amend and repeal bylaws;

(13) To make any and all contracts necessary, convenient or appropriate for the full exercise of the powers herein granted; and

(14) To exercise all other powers authorized by KRS Chap. 271.

(15) To do and perform any other lawful acts and things, and to have and exercise any other powers which may be necessary, convenient or appropriate to accomplish the purpose for which the cooperative is organized.

Sec. 7. *Bylaws; adoption and contents.*

(1) The incorporators of each corporation organized under this chapter shall adopt for its management bylaws not inconsistent with the powers granted by this chapter. The written consent of a majority of the incorporators, evidenced by their signatures to the bylaws adopted, shall be necessary to the adoption of bylaws. The bylaws may be amended by a majority vote of the board of trustees.

(2) The bylaws may provide for any or all of the following matters:

(a) The time, place and manner of calling and conducting meetings of the members.

(b) The number of members constituting a quorum.

(c) The right of members to vote by mail, and the conditions, manner, form and effect of such votes.

(d) The number of trustees constituting a quorum.

(e) The qualifications, compensation, powers, duties and terms of office of trustees and officers, the time of their election and the manner of giving notice thereof.

(f) An executive committee and the allotment to that committee of any or all of the functions and powers of the board of trustees, subject to the general direction and control of the board.

(g) The amount of entrance, organization and membership fees, if any, the manner of collecting them and the purposes for which they may be used.

(h) The qualifications of members of the corporation and the conditions precedent to membership; the time and manner of permitting members to withdraw; the manner of assignment or transfer of the interest of a member; the conditions upon which and the time when membership of any member shall cease; the suspension of the rights of a member when he ceases to be eligible to membership in the corporation; the manner and effect of the expulsion of a member; the manner of determining the value of a member's interest and provision for its purchase by the corporation upon the death or withdrawal of a member or upon his expulsion or forfeiture of membership, or, at the option of the corporation, the purchase of the member's interest at a price fixed by appraisal by the board. The bylaws may provide that in case of the forced withdrawal or expulsion of a member the board shall equitably appraise his property interest in the corporation and shall at its option fix the amount thereof in money or other property, which shall be paid to him within one year after his expulsion or withdrawal.

(i) Penalties for violation of the bylaws.

(j) Any other matter relating to the operation or management of the corporation and not inconsistent with law or with the articles of incorporation.

Sec. 8. *Board of Trustees and Officers.*

(1) The business of a cooperative shall be managed by a board of not less than five trustees, each of whom shall be a member of the cooperative, or of another cooperative which is a member thereof. The bylaws shall prescribe the number of trustees, their qualifications, other than those prescribed in this Act, the manner of holding meetings of the board of trustees and of electing successors to trustees who shall resign, die, or otherwise be incapable of acting. The bylaws may also provide for the removal of trustees from office and for the election of their successors. Trustees shall not receive any salaries for their services as trustees and, except in emergencies, shall not receive any salaries for their services in any other capacity without the approval of the members. The bylaws may, however, prescribe a fixed fee for attendance at each meeting of the board of trustees and may provide for reimbursement of actual expenses of attendance.

(2) The trustees of a cooperative named in any articles of incorporation, consolidation, merger, conversion or combined consolidation and conversion shall hold office until the next annual meeting of the members and until their successors are elected and qualify. At each annual meeting or, in case of failure to hold the annual meeting as specified in the bylaws, at a special meeting called for that purpose, the members shall elect trustees to hold office until the next annual meeting of the members, except as otherwise provided in this Act. Each trustee shall hold office for the term for which he is elected and until his successor is elected and qualified.

(3) Instead of electing all the trustees annually, the bylaws may provide that half of them, or a number as near thereto as possible, shall be elected to serve until the next annual meeting of the members and that the remaining trustees shall be elected to serve until the second succeeding annual meeting. Thereafter, as trustees' terms expire, the members shall elect their successors to serve until the second succeeding annual meeting after their election.

(4) A majority of the board of trustees shall constitute a quorum.

(5) The board of trustees may exercise all of the powers

of a cooperative not conferred upon the members by this Act, or its articles of incorporation or bylaws.

(6) The officers of a cooperative shall consist of a president, vice-president, secretary and treasurer, who shall be elected annually by and from the board of trustees. When a person holding any such office ceases to be a trustee he shall cease to hold such office. The offices of secretary and of treasurer may be held by the same person. The board of trustees may also elect or appoint such other officers, agents, or employees as it deems necessary or advisable and shall prescribe their powers and duties. Any officer may be removed from office and his successor elected in the manner prescribed in the bylaws.

Sec. 9. Members and Shareholders; Requirements for Membership.

(1) Each incorporator of a cooperative shall be a member thereof but no other person may become a member thereof unless such other person agrees to use telephone service furnished by the cooperative when it is made available through its facilities. Membership in a cooperative shall be evidenced by a certificate of membership which shall not be transferable, except as provided in the bylaws. The bylaws may prescribe additional qualifications and limitations in respect of membership, provided that ownership of shares of stock, if any are authorized, shall not be a condition of membership in the cooperative.

(2) In case the issuance of shares of stock is provided for in the articles of incorporation, ownership thereof shall be evidenced by share certificates. No share of stock shall be issued except for cash, or for property at its fair value, in an amount equal to the par value of such share of stock.

(3) Membership and share certificates shall contain such provisions, consistent with this Act and the articles of incorporation of the cooperative, as shall be prescribed by its bylaws.

(4) No member or shareholder shall be liable or responsible for any debts of the co-operative and the property of the members and shareholders shall not be subject to execution therefor.

Sec. 10. Meeting of members; waiver of notice.

(1) An annual meeting of the members of a cooperative shall be held at such time and place as shall be provided in the bylaws.

(2) Special meetings of the members may be called by the president, by the board of trustees, by any three trustees, or by not less than 200 members or ten per centum of all members, whichever shall be the lesser.

(3) Except as otherwise provided in this Act, written or printed notice stating the time and place of each meeting of the members and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each member, either personally or by mail, not less than ten days nor more than twenty-five days before the date of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail with postage prepaid addressed to the member at his address as it appears on the records of the cooperative.

(4) Unless the bylaws prescribe the presence of a greater percentage or number of the members for a quorum, a quorum for the transaction of business at all meetings of the members of a cooperative having not more than 500 members, shall be ten per centum of all members, present in person, and of a cooperative having more than 500 members, shall be 50 members or two per centum of all members, whichever is greater, present in person. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

(5) Each member shall be entitled to one vote on each matter submitted to a vote at a meeting of the members. Voting shall be in person, but, if the bylaws so provide, may also be by mail.

(6) Any person entitled to notice of a meeting may waive such notice in writing either before or after such meeting. If any such person shall attend such meeting, such attendance shall constitute a waiver of notice of such meeting, unless such person participates therein solely to object to the transaction of

any business because the meeting has not been legally called or convened.

Sec. 11. Amendment of Articles of Incorporation.

A cooperative may amend its articles of incorporation by complying with the following requirements, provided, however, that a change of location of principal office may be effected in the manner set forth in Section 12 of this Act: The proposed amendment shall be presented to a meeting of the members, the notice of which shall set forth or have attached thereto the proposed amendment. If the proposed amendment, with any changes, is approved by the affirmative vote of not less than two-thirds of those members voting thereon at such meeting, articles of amendment shall be executed and acknowledged on behalf of the cooperative by its president or vice-president and its seal shall be affixed thereto and attested by its secretary. The articles of amendment shall recite that they are executed pursuant to this Act and shall state:

- (1) the name of the cooperative
- (2) the address of its principal office; and
- (3) the amendment to its articles of incorporation.

The president or vice-president executing such articles of amendment shall make and annex thereto an affidavit stating that the provisions of this section in respect of the amendment set forth in such articles were duly complied with.

Sec. 12. Change of location of principal offices.

A cooperative may, upon authorization of its board of trustees or its members, change the location of its principal office by filing a certificate reciting such change of principal office, executed and acknowledged by its president or vice-president under its seal attested by its secretary, in the office of the Secretary of State.

Sec. 13. Common and preferred stock; ownership and transfer.

(1) Only a member of a corporation organized under this chapter may own its common stock, and neither the common stock in any such corporation or any interest therein shall be transferable or assignable, except as security for a loan from

the Federal Government, either by act of the parties or by operation of law, to any person who is not eligible to be a member of the corporation.

(2) No corporation formed under this chapter shall issue common stock to a member until it has been fully paid for, but the promissory notes of a member may be accepted by the corporation as full or partial payment. The corporation shall hold the stock as security for the payment of the note, but such retention as security shall not affect the member's right to vote.

(3) No person, other than a corporation formed under this chapter, shall at any one time own more than five percent of the outstanding common stock of any corporation formed under this chapter.

(4) No corporation formed under this chapter shall pay dividends on either its common stock or its preferred stock in an amount greater than four percent per annum on each class of stock.

(5) Any such corporation may at any time, as specified in its bylaws, except when the debts of the corporation exceed fifty percent of its assets, buy in or purchase its common stock at the book value thereof, as conclusively determined by its board of directors, and pay for it in cash within one year thereafter.

(6) Preferred stock may be owned by and transferred to any person, and may be made redeemable and retirable by the corporation on such terms and conditions as are provided for in the articles of incorporation and printed on the face of each certificate. Ownership of preferred stock shall not confer on the holder any right to vote.

Sec. 14. Consolidation

Any two or more cooperatives (each of which is hereinafter designated a "consolidating cooperative"), may consolidate into a new cooperative (hereinafter designated the "new cooperative"), by complying with the following requirements:

(1) The proposition for the consolidation of the consolidating cooperative into the new cooperative and proposed articles of consolidation to give effect thereto shall be submitted

to a meeting of the members of each consolidating cooperative, the notice of which shall have attached thereto a copy of the proposed articles of consolidation.

(2) If the proposed consolidation and the proposed articles of consolidation with any amendments are approved by the affirmative vote of not less than two-thirds of those members of each consolidating cooperative voting thereon at each such meeting, articles of consolidation in the form approved shall be executed and acknowledged on behalf of each consolidating cooperative by its president or vice-president and its seal shall be affixed thereto and attested by its secretary. The articles of consolidation shall recite that they are executed pursuant to this Act and shall state:

(a) the name of each consolidating cooperative and the address of its principal office;

(b) the name of the new cooperative and the address of its principal office;

(c) a statement that each consolidating cooperative agrees to the consolidation;

(d) the names and addresses of the trustees of the new cooperative; and

(e) the terms and conditions of the consolidation and the mode of carrying the same into effect, including the manner in which members and shareholders, if any, of the consolidating cooperatives may or shall become members and shareholders, respectively, of the new cooperative; and may contain any provisions not inconsistent with this Act deemed necessary or advisable for the conduct of the business of the new cooperative.

The president or vice-president of each consolidating cooperative executing such articles of consolidation shall make and annex thereto an affidavit stating that the provisions of this section in respect of such articles were duly complied with by such cooperative.

Sec. 15. Merger. Any one or more cooperatives (each of which is hereinafter designated a "merging cooperative") may merge into another cooperative (hereinafter designated

the "surviving cooperative"), by complying with the following requirements:

(1) The proposition for the merger of the merging cooperatives into the surviving cooperative and proposed articles of merger to give effect thereto shall be submitted to a meeting of the members of each merging cooperative and of the surviving cooperative, the notice of which shall have attached thereto a copy of the proposed articles of merger;

(2) If the proposed merger and the proposed articles of merger, with any amendments, are approved by the affirmative vote of not less than two-thirds of those members of each cooperative voting thereon at each such meeting, articles of merger in the form approved shall be executed and acknowledged on behalf of each such cooperative by its president or vice-president and its seal shall be affixed thereto and attested by its secretary. The articles of merger shall recite that they are executed pursuant to this Act and shall state:

(a) the name of each merging cooperative and the address of its principal office;

(b) the name of the surviving cooperative and the address of its principal office;

(c) a statement that each merging cooperative and the surviving cooperative agree to the merger;

(d) the names and addresses of the trustees of the surviving cooperative; and

(e) the terms and conditions of the merger and the mode of carrying the same into effect, including the manner in which members if any, of the merging cooperative may or shall become members and shareholders, respectively, of the surviving cooperative, and may contain any provisions not inconsistent with this Act deemed necessary or advisable for the conduct of the business of the surviving cooperative.

The president or vice-president of each cooperative executing such articles of merger shall make and annex thereto an affidavit stating that the provisions of this section in respect of such articles were duly complied with by such cooperative.

Sec. 16. Effect of Consolidation or Merger

(1) In the case of a consolidation the existence of the consolidating cooperatives shall cease and the articles of consolidation shall be deemed to be the articles of incorporation of the new cooperative; and in the case of a merger the separate existence of the merging cooperative shall cease and the articles of incorporation of the surviving cooperative shall be deemed to be amended to the extent, if any, that changes therein are provided for in the articles of merger;

(2) All the rights, privileges, immunities and franchises and all property, real and personal, including without limitation applications for membership, all debts due on whatever account and all other choses in action, of each of the consolidating or merging cooperatives shall be deemed to be transferred to and vested in the new or surviving cooperative without further act or deed;

(3) The new or surviving cooperative shall be responsible and liable for all the liabilities and obligations of each of the consolidating or merging cooperatives and any claim existing or action or proceeding pending by or against any of the consolidating or emerging cooperatives may be prosecuted as if the consolidation or merger had not taken place, but the new or surviving cooperative may be substituted in its place; and

(4) Neither the rights of creditors nor any liens upon the property of any of such cooperatives shall be impaired by such consolidation or merger.

Sec. 17. Conversion and Combined Consolidation and Conversion of Existing Corporations.

(1) Any corporation organized under the laws of this State and furnishing or having the corporate power to furnish telephone service may be converted into a cooperative by complying with the following requirements and shall thereupon become subject to this Act with the same effect as if originally organized under this Act;

(a) The proposition for the conversion of such corporation into a cooperative and proposed articles of conversion to give effect thereto shall be submitted to a meeting of the members or stockholders of such corporation, or in case of a cor-

poration having no members or stockholders, to a meeting of the incorporators of such corporation, the notice of which shall have attached thereto a copy of the proposed articles of conversion.

(b) If the proposition for the conversion of such corporation into a cooperative and the proposed articles of conversion, with any amendments, are approved by the affirmative vote of not less than two-thirds of those members of such corporation voting thereon at such meeting, or, if such corporation is a stock corporation, by the affirmative vote of the holders of not less than two-thirds of those shares of the capital stock of such corporation represented at such meeting and voting thereon, or, in the case of a corporation having no members and no shares of its capital stock outstanding, by the affirmative vote of not less than two-thirds of its incorporators, articles of conversion in the form approved shall be executed and acknowledged on behalf of such corporation by its president or vice-president and its seal shall be affixed thereto and attested by its secretary. The articles of conversion shall recite that they are executed pursuant to this Act and shall state:

- (i) the name of the corporation and the address of its principal office prior to its conversion into a cooperative;
- (ii) the statute or statutes under which it was organized;
- (iii) a statement that such corporation elected to become a cooperative, nonprofit corporation subject to this Act;
- (iv) its name as a cooperative;
- (v) the address of the principal office of the cooperative;
- (vi) the names and addresses of the trustees of the cooperative; and
- (vii) the manner in which members, stockholders or incorporators of such corporation may or shall become members of the cooperative; and may contain any provisions not inconsistent with this Act deemed necessary or advisable for the conduct of the business of the cooperative, including provisions for the issuance of non-voting shares of stock as provided for in Section 3 of this Act. If the articles of conversion shall make provision for the issuance of such shares of stock, they shall also state the manner in which members, stockholders or incorporators of such corporation may or shall become shareholders of the

cooperative. The president or vice-president executing such articles of conversion shall make and annex thereto an affidavit stating that the provisions of this section were duly complied with in respect of such articles. The articles of conversion shall be deemed to be the articles of incorporation of the cooperative.

(2) Any two or more corporations organized under the laws of this State and furnishing or having the corporate power to furnish telephone service may, if otherwise permitted to consolidate by the laws of this State consolidate into a cooperative subject to this Act, with the same effect as if originally organized under this Act, by complying with the following requirements:

(a) The proposition for the consolidation into a cooperative and the proposed articles of consolidation and conversion, with any amendments, shall be approved by each consolidating corporation in accordance with the statute or statutes under which it was organized and the provisions of subsection (1) of this section;

(b) The articles of consolidation and conversion in the form approved shall be executed, acknowledged and sealed in the manner prescribed in subsection (1) of this section and in the statute or statutes under which the consolidating corporations were organized. The articles of consolidation and conversion shall state that they are executed pursuant to this Act and such statute or statutes, that each consolidating corporation elects that the new corporation shall be a cooperative, and in addition shall contain all other information required by such statute or statutes and by paragraph (b) of subsection (1) of this section; and may contain any provisions not inconsistent with this Act deemed necessary or advisable for the conduct of the business of the cooperative. The president or vice-president executing such articles of consolidation and conversion shall make and annex thereto an affidavit stating that the provisions of this section and of the statute or statutes under which the consolidating corporations were organized were duly complied with in respect of such articles. The articles of consolidation and conversion shall be deemed to be the articles of incorporation of the cooperative and shall be filed both in accordance with the provisions of this Act and of the statute or statutes under which the consolidating corporations were organized.

Sec. 18. Dissolution. (1) Any corporation formed under this chapter may be dissolved by filing articles of dissolution, which shall be entitled and endorsed "Articles of Dissolution of _____" and shall state:

(a) The name of the corporation and, if it is a consolidated corporation, the names of the original corporations.

(b) The date of filing of the articles of incorporation and, if the corporation is a consolidated corporation, the dates on which the articles of incorporation of the original corporations were filed.

(c) That the corporation elects to dissolve.

(d) The name and postoffice address of each of its directors, and the name, title and postoffice address of each of its officers.

(2) The articles of dissolution shall be subscribed and acknowledged in the same manner as original articles of incorporation, by the president or a vice-president and the secretary or an assistant secretary, who shall make and attach an affidavit stating that they have been authorized to execute and file the articles by a majority vote of all the members, and shareholders.

(3) Articles of dissolution shall be filed, recorded and approved in the same manner, and shall take effect upon approval, as is provided in Section 3 for articles of incorporation.

(4) The corporation filing articles of dissolution shall continue in existence for the purpose of paying, satisfying and discharging any existing liabilities or obligations and collecting or liquidating its assets, and doing all other acts required to adjust and wind up its business and affairs and may sue and be sued, contract and be contracted with in its corporate name. Any assets remaining after the liabilities and obligations of the corporation have been satisfied or discharged shall be ratably distributed to the shareholders, members and non-member patrons of the corporation in accordance with the manner in which their respective rights may appear.

Sec. 19. Nonprofit Operation. A cooperative shall be operated on a nonprofit basis for the mutual benefit of its members and patrons. The bylaws of a cooperative or its con-

tracts with members and patrons shall contain such provisions relative to the disposition of revenue and receipts as may be necessary and appropriate to establish and maintain its non-profit and co-operative character. In the case of a cooperative authorized to issue shares of stock, such bylaws or contracts shall provide that no moneys shall be paid or credits given on the basis of patronage except after the declaration or payment of dividends on the outstanding shares of stock in accordance with the articles of incorporation of the cooperative, and such bylaws or contracts shall otherwise be consistent with the cooperative's obligations in respect of such shares of stock.

Sec. 20. Obligations, how issued, secured, purchased or redeemed. Power of Board of Trustees to encumber, or dispose of property.

(1) The board of trustees of a cooperative shall have full power and authority, without authorization by the members thereof, to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust of, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the cooperative, whether acquired or to be acquired, and wherever situated as well as the revenues therefrom, all upon such terms and conditions as the board of trustees shall determine, to secure any indebtedness of the cooperative to United States of America or any agency or instrumentality thereof. Any such mortgage or mortgages or deed or deeds of trust shall be exempt from mortgage recordation tax.

(2) A cooperative may not otherwise sell, mortgage, lease or otherwise dispose of or encumber all or a substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized by the affirmative vote of not less than two-thirds of all the members of the cooperative; provided, however, that notwithstanding any other provision of this Act, or any other provision of law, the board of trustees may, upon the authorization of a majority of those members of the cooperative present at a meeting of the members thereof, the notice of which shall have set forth the proposed action, sell, lease or otherwise dispose of all or a substantial portion of its property to another cooperative or a foreign cor-

poration doing business in this State pursuant to this Act or to the holder or holders of any notes, bonds or other evidences of indebtedness issued to the United States of America or any agency or instrumentality thereof.

Sec. 21. Recordation of Mortgages—Effect Thereof. Any mortgage, deed of trust or other instrument executed by a cooperative or foreign corporation doing business in this State pursuant to this Act, which affects real and personal property and which is recorded in the real property records in any county in which such property is located or is to be located, shall have the same force and effect as if the mortgage, deed of trust or other instrument were also recorded, filed or indexed as provided by law in the proper office in such county as a mortgage of personal property. All after-acquired property of such cooperative or foreign corporation described or referred to as being mortgaged or pledged in any such mortgage, deed of trust or other instrument, shall become subject to the lien thereof immediately upon the acquisition of such property by such cooperative or foreign corporation, whether or not such property was in existence at the time of the execution of such mortgage, deed of trust or other instrument. Recordation of any such mortgage, deed of trust or other instrument shall constitute notice and otherwise have the same effect with respect to such after-acquired property as it has under the laws relating to recordation, with respect to property owned by such cooperative or foreign corporation at the time of the execution of such mortgage, deed of trust or other instrument and therein described or referred to as being mortgaged or pledged thereby. The lien upon personal property of any such mortgage, deed of trust or other instrument shall, after recordation thereof, continue in existence and of record for the period of time specified therein without the refileing thereof or the filing of any renewal certificate, affidavit or other supplemental information required by the laws relating to the renewal, maintenance or extension of liens upon personal property.

Sec. 22. Fees for articles and amendments; no recording taxes.

(1) For acting upon, filing and recording articles of incorporation, articles of consolidation, articles of dissolution, or

amendments to articles of incorporation or consolidation, the corporation shall pay to the Secretary of State a sum not to exceed two dollars, for which the Secretary of State shall give his receipt.

(2) For filing and recording articles of incorporation, articles of consolidation, articles of dissolution, or amendments to articles of incorporation or consolidation, the corporation shall pay to the county clerk a sum not to exceed three dollars, for which the county clerk shall give his receipt.

(3) No fee shall be paid or received for affixing the state seal to any of the documents mentioned in this section or to any copy thereof.

(4) The recordation of the documents mentioned in this section shall be exempt from all recording taxes.

Sec. 23. *Taxes.* Corporations formed under this chapter shall be exempt from all profit taxes, gross and net taxes, sales taxes, occupation taxes, privilege taxes, income taxes, taxes on telephone service and from all excise taxes whatsoever, any statute now existing or hereafter passed to the contrary notwithstanding. In lieu of all other state, county, city and district taxes, except ad valorem and franchise taxes, corporations formed under this chapter shall pay to the State Treasurer an annual tax of ten dollars.

Sec. 24. *Jurisdiction of Public Service Commission; application of other laws.* (1) Every corporation formed under this chapter shall be subject to the general supervision of the Public Service Commission, and shall be subject to all the provisions of KRS 278.010 to 278.450 inclusive, and KRS 278.530 and 278.990.

(2) The provisions of the general corporation laws of this state and all rights and powers thereunder shall apply to corporations organized under this chapter, except where such provisions are in conflict with or inconsistent with the express provisions of this chapter.

Sec. 25. *Securities Act Exemption.* The provisions of Chapter 292 of the Kentucky Revised Statutes shall not apply to any note, bond or other evidence of indebtedness issued by any cooperative or foreign corporation doing business in this

State pursuant to this Act to United States of America or any agency or instrumentality thereof, or any mortgage, deed of trust or other instrument executed to secure the same. The provisions of said Securities Act shall not apply to the issuance of membership certificates, shares of stock or any other evidence of member, shareholder or patron interest by any cooperative or any such foreign corporation.

Sec. 26. Districts. The bylaws may provide for the division of the territory served or to be served by a cooperative into two or more districts for any purpose, including without limitation, the nomination and election of trustees and the election and functioning of district delegates. Such delegates, who shall be members, may nominate and elect trustees. The bylaws shall prescribe the boundaries of the districts, or the manner of establishing such boundaries, and the manner of changing such boundaries, and the manner in which such districts shall function. No member at any district meeting and no district delegate at any meeting shall vote by proxy or by mail.

Sec. 27. Foreign Corporations—Any foreign non-profit or cooperative corporation furnishing or authorized to furnish telephone service and owning or operating telephone lines or facilities in an adjacent State may construct or acquire extensions of such lines in this State and operate such extensions without complying with any statute of this State pertaining to the qualifications of foreign corporations for the doing of business in this State. Any such corporation shall, before constructing or operating such extensions, by an instrument executed and acknowledged on its behalf by its president or vice-president, under its seal attested by its secretary, and filed with the Secretary of State, designate the Secretary of State its agent to accept service of process on its behalf. Thereafter, with respect to its operations in this State, such corporation shall have only the rights, powers, privileges and immunities of, and shall be subject to all of the laws of this State relating to the jurisdiction and supervision of the Public Service Commission in the same manner and to the same extent as, a cooperative organized under this Act. In the event any process shall be served upon the Secretary of State, he shall forthwith forward the same by regis-

tered mail to such corporation at the address thereof specified in the aforesaid instrument.

Sec. 28. Construction Standards. Construction of telephone lines and facilities by a cooperative shall, as a minimum requirement, comply with the standards of the National Electrical Safety Code in effect at the time of such construction.

Sec. 29. *Easements*. Two years' continuous, uncontested maintenance of telephone lines on any real property by a cooperative or foreign corporation doing business in this State pursuant to this Act shall ripen into legal title to such easement.

Sec. 30. Construction of Act. This Act is complete in itself and shall be controlling. This Act shall be construed liberally. The enumeration of any object, purpose, power, manner, method, or thing shall not be deemed to exclude like or similar objects, purposes, powers, manners, methods or things.

Sec. 31. Whereas, there presently exists a critical shortage of rural telephones in the Commonwealth of Kentucky, and

Whereas, this shortage of telephones constitutes a grave impairment of the physical and financial safety of many thousands of rural citizens, and

Whereas, the purpose of this act is to alleviate as quickly as possible the deficiency in telephone facilities in the rural sections of Kentucky, and the welfare of the public is thus affected,

An emergency is hereby declared to exist and this Act shall become effective immediately upon its passage and approval by the Governor.

S. B. No. 237. AN ACT relating to enforcement of foreign judgments.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. DEFINITIONS. No distinction is made between judgments and decrees requiring the payment of money, ordering or restraining the doing of acts, or declaring rights or duties

of any other character, whether entered in law or equity, in probate, guardianship, receivership, or any other type of proceedings. The fact that there is a "judicial proceeding" entitled to full faith and credit within the meaning of Article IV, Section 1, of the United States Constitution is the only criterion employed.

Sec. 2. REGISTRATION OF JUDGMENT. On application made within the time allowed for bringing an action on a foreign judgment in this state, any person entitled to bring such action may have a foreign judgment registered in any court of this state having jurisdiction of such an action.

Sec. 3. APPLICATION FOR REGISTRATION. A verified petition for registration shall set forth a copy of the judgment to be registered, the date of its entry and the record of any subsequent entries affecting it, such as levies of execution, payments in partial satisfaction and other entries all authenticated in the manner authorized by the laws of the United States or of this state, and a prayer that the judgment be registered. The Clerk of the registering court shall notify the clerk of the court which rendered the original judgment that application for registration has been made, and shall request him to file this information with the judgment.

Sec. 4. PERSONAL JURISDICTION. At any time after registration the petitioner shall be entitled to have summons issued and served upon the judgment debtor as in an action brought upon the foreign judgment, in any manner authorized by law of this state for obtaining jurisdiction of the person.

Sec. 5. NOTICE IN ABSENCE OF PERSONAL JURISDICTION. If jurisdiction of the person of the judgment debtor cannot be obtained, a notice clearly designating the foreign judgment and reciting the fact of registration, the court in which it is registered, and the time allowed for pleading, shall be sent by the Clerk of the registering court by registered mail to the last known address of the judgment debtor. Proof of such mailing shall be made by certificate of the Clerk.

Sec. 6. LEVY. At any time after registration and regardless of whether jurisdiction of the person of the judgment debtor has been secured or final judgment has been obtained, a levy may be made under the registered judgment upon any property of the judgment debtor which is subject to execution or other judicial process for satisfaction of judgments.

Sec. 7. NEW PERSONAL JUDGMENT. If the judgment debtor fails to plead within sixty days after jurisdiction over his person has been obtained, or if the court after hearing has refused to set the registration aside, the registered judgment shall become a final personal judgment of the court in which it is registered.

Sec. 8. DEFENSES. Any defense, set-off or counterclaim which under the law of this state may be asserted by the defendant in an action on the foreign judgment may be presented by appropriate pleadings and the issues raised thereby shall be tried and determined as in other civil actions. Such pleadings must be filed within sixty days after personal jurisdiction is acquired over him or within sixty days after the mailing of the notice prescribed in Section 5.

Sec. 9. PENDENCY OF APPEAL. If the judgment debtor shows that an appeal from the original judgment is pending or that he is entitled and intends to appeal therefrom, the court shall, on such terms as it thinks just, postpone the trial for such time as appears sufficient for the appeal to be concluded, and may set aside the levy upon proof that the defendant has furnished adequate security for satisfaction of the judgment.

Sec. 10. EFFECT OF SETTING ASIDE REGISTRATION. An order setting aside a registration constitutes a final judgment in favor of the judgment debtor.

Sec. 11. APPEAL. An appeal may be taken by either party from any judgment, order or decision sustaining or setting aside a registration on the same terms as an appeal from a judgment, order or decision of the same court.

Sec. 12. NEW JUDGMENT QUASI IN REM. If personal jurisdiction of the judgment debtor is not secured within sixty days after the levy and he has not, within sixty days after the mailing of the notice prescribed by Section 5, acted to set aside the registration or to assert a set-off or counter-claim the registered judgment shall be a final judgment quasi in rem of the court in which it is registered, binding upon the judgment debtor's interest in property levied upon, and the court shall enter an order to that effect.

Sec. 13. SALE UNDER LEVY. Sale under the levy may be held at any time after final judgment, either personal or quasi in rem, but not earlier except as otherwise provided by law for sale under levy on perishable goods. Sale and distribution of the proceeds shall be made in accordance with the law of this state.

Sec. 14. INTEREST AND COSTS. When a registered foreign judgment becomes a final judgment of this state, the court shall include as part of the judgment interest payable on the foreign judgment under the law of the state in which it was rendered, and the cost of obtaining the authenticated copy of the original judgment. The court shall include as part of its judgment court costs incidental to the proceeding in accordance with the law of this state.

Sec. 15. SATISFACTION OF JUDGMENT. Satisfaction, either partial or complete, of the original judgment or of a judgment entered thereupon in any other state shall operate to the same extent as satisfaction of the judgment in this state, except as to costs authorized by Section 14.

Sec. 16. OPTIONAL PROCEDURE. The right of a judgment creditor to bring an action to enforce his judgment instead of proceeding under this Act remains unimpaired.

Sec. 17. UNIFORMITY OF INTERPRETATION. This Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it.

Sec. 18. 'SHORT TITLE. This Act may be cited as the Uniform Enforcement of Foreign Judgments Act.

S. B. No. 238. AN ACT relating to use of photographic copies of business and public records as evidence.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. If any business, institution, member of a profession or calling, or any department or agency of government, in the regular course of business or activity has kept or recorded any memorandum, writing, entry, print, representation or combination thereof, of any act, transaction, occurrence or event, and in the regular course of business has caused any or all of the same to be recorded, copied or reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic, or other process which accurately reproduces or forms a durable medium for so reproducing the original, the original may be destroyed in the regular course of business unless held in a custodial or fiduciary capacity or unless its preservation is required by law. Such reproduction, when satisfactorily identified, is as admissible as the original itself in any judicial or administrative proceeding whether the original is in existence or not and an enlargement or facsimile of such reproduction is likewise admissible in evidence if the original reproduction is in existence and available for inspection under direction of court. The introduction of a reproduced record, enlargement or facsimile, does not preclude admission of the original.

Sec. 2. This Act shall be so interpreted and construed as effectuate its general purpose of making uniform the law of those states which enact it.

Sec. 3. This Act may be cited as the Uniform Photographic Copies of Business and Public Records as Evidence Act.

Sec. 4. This Act shall not become effective until July 1, 1950.

S. B. No. 239. AN ACT relating to the use of business records as evidence and to make uniform the law relating thereto.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. (Definition.) The term "business" shall include every kind of business, profession, occupation, calling or operation of institutions, whether carried on for profit or not.

Sec. 2. (Business Records.) A record of an act, condition or event, shall, in so far as relevant, be competent evidence if the custodian or other qualified witness testifies to its identity and the mode of its preparation, and if it was made in the regular course of business, at or near the time of the act, condition or event, and if, in the opinion of the court, the sources of information, method and time of preparation were such as to justify its admission.

Sec. 3. (Uniformity of Interpretation.) This Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it.

Sec. 4. (Short Title.) This Act may be cited as the Uniform Business Records as Evidence Act.

Sec. 5. (Time of Taking Effect.) This Act shall not become effective until July 1, 1950.

S. B. No. 246. AN ACT relating to acknowledgements of written instruments and to make uniform the law with relation thereto.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. ACKNOWLEDGEMENT OF INSTRUMENTS. Any instrument may be acknowledged in the manner and form now provided by laws of this State, or as provided by this Act.

Sec. 2. ACKNOWLEDGMENT WITHIN THE STATE. The acknowledgment of any instrument may be made in this State before:

- (1) A Judge of a court of record;
- (2) A Clerk or Deputy Clerk of a court of record;
- (2) A Notary Public;
- (4) A Justice of the Peace; or
- (5) A duly licensed attorney at law.

Sec. 3. ACKNOWLEDGMENT WITHIN THE UNITED STATES. The Acknowledgment of any instrument may be made without the State but within the United States or a territory or insular possession of the United States and within the jurisdiction of the officer, before:

- (1) A Clerk or Deputy Clerk of any federal court;
- (2) A Clerk or Deputy Clerk of any court of record of any State or other jurisdiction;
- (3) A Notary Public;
- (4) A Commissioner of Deeds;
- (5) Any person authorized by the laws of such other jurisdiction to take acknowledgments.

Sec. 4. ACKNOWLEDGMENT WITHOUT THE UNITED STATES. The acknowledgment of any instrument may be made without the United States before:

- (1) An Ambassador, Minister, Charge d'Affaires, Counselor to or Secretary of a Legation, Consul General, Consul, Vice-Consul, Commercial Attache, or Consular Agent of the United States accredited to the country where the acknowledgment is made.
- (2) A Notary Public of the country where the acknowledgment is made.
- (3) A Judge or Clerk of a court of record of the country where the acknowledgment is made.

Sec. 5. REQUISITES OF ACKNOWLEDGMENT. The officer taking the acknowledgment shall know or have satisfactory evidence that the person making the acknowledgment is the person described in and who executed the instrument.

Sec. 6. **ACKNOWLEDGMENT BY A MARRIED WOMAN.** An acknowledgment of a married woman may be made in the same form as though she were unmarried.

Sec. 7. **FORMS OF CERTIFICATES.** An officer taking the acknowledgment shall endorse thereon or attach thereto a certificate substantially in one of the following forms:

(1) By Individuals:

State of_____

County of_____

On this the____day of_____, 19____, before me_____, the undersigned officer, personally appeared_____, known to me or satisfactorily proven to be the person whose name is subscribed to to the within instrument and acknowledgment that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.

Title of Officer.

(2) By a Corporation:

State of_____

County of_____

On this the____day of_____, 19____, before me_____, the undersigned officer, personally appeared_____ who acknowledged himself to be the_____ of_____, a corporation, and that he, as such_____, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as_____.

In witness whereof I hereunto set my hand and official seal.

Title of Officer.

(3) By an Attorney in Fact:

State of_____

County of_____

On this the____day of_____, 19____, before me_____, the undersigned officer,

personally appeared_____, known to me or satisfactorily proven to be the person whose name is subscribed as attorney in fact for_____, and acknowledged that he executed the same as the act of his principal for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal

Title of Officer.

(4) By any Public Officer or Deputy thereof, or by any Trustee, Administrator, Guardian, or Executor:

State of_____

County of_____

On this the _____ day of_____, 19____, before me,_____, the undersigned officer, personally appeared_____, of the State (County or City as the case may be) of_____, known to me or satisfactorily proven to be the person described in the foregoing instrument, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.

Title of Officer.

Sec. 8. EXECUTION OF CERTIFICATE. The certificate of the acknowledging officer shall be completed by his signature, his official seal if he has one, the title of his office, and if he is a Notary Public, the date his commission expires.

Sec. 9. AUTHENTICATION OF ACKNOWLEDGMENTS.

(1) If the acknowledgment is taken within this State or is made without the United States by an officer of the United States no authentication shall be necessary.

(2) If the acknowledgment is taken without this State, but in the United States, or a territory or insular possession of

the United States, the certificate shall be authenticated by a certificate as to the official character of such officer, executed, if the acknowledgment is taken by a Clerk or Deputy Clerk, of a court, by the presiding judge of the court or, if the acknowledgment is taken by a Notary Public, or any other person authorized to take acknowledgments, by a Clerk of a Court of Record of the County, Parish or District in which the acknowledgment is taken. The signature to such authenticating certificate may be a facsimile printed, stamped, photographed or engraved thereon when the certificate bears the seal of the authenticating officer.

(3) If the acknowledgment is made without the United States and by a Notary Public or a Judge or Clerk of a Court of Record of the country where the acknowledgment is made, the certificate shall be authenticated by a certificate under the Great Seal of State of the country, affixed by the custodian of such Seal, or by a certificate of a diplomatic, consular or commercial officer of the United States accredited to that country, certifying as to the official character of such officer.

Sec. 10. ACKNOWLEDGMENT UNDER LAWS OF OTHER STATES. Notwithstanding any provision in this Act contained the acknowledgment of any instrument without this State in compliance with the manner and form prescribed by the laws of the place of its execution, if in a State, a Territory or insular possession of the United States, or in the District of Columbia, verified by the official seal of the officer before whom it is acknowledged, and authenticated in the manner provided by section 9 subsection 2 hereof, shall have the same effect as an acknowledgment in the manner and form prescribed by the laws of this State for instruments executed within the State, except where the instrument is a deed by which a resident of this State purports to convey his homestead in this State and the deed is not additionally acknowledged in the form prescribed by the law of this State for the validity of a conveyance of a homestead.

Sec. 11. Acknowledgments by Persons Serving in or with the Armed Forces of the United States within or without the United States. In addition to the acknowledgment of instruments in the manner and form and as otherwise authorized by this Act, any person serving in or with the armed forces of the

United States may acknowledge the same wherever located before any commissioned officer in active service of the armed forces of the United States with the rank of Second Lieutenant or higher in the Army, Air Force, or Marine Corps, or Ensign or higher in the Navy or United States Coast Guard. The instrument shall not be rendered invalid by the failure to state therein the place of execution or acknowledgment. No authentication of the officer's certificate of acknowledgment shall be required but the officer taking the acknowledgment shall indorse thereon or attach thereto a certificate substantially in the following form:

On this the_____day of_____, 19____, before me,_____, the undersigned officer, personally appeared_____, known to me or satisfactorily proven to be serving in or with the armed forces of the United States and to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained. The undersigned does further certify that he is at the date of this certificate a commissioned officer of the rank stated below and is in the active service of the armed forces of the United States.

Signature of Officer.

Rank of Officer and Command
to which attached.

Sec. 12. ACKNOWLEDGMENT NOT AFFECTED BY THIS ACT. No acknowledgment heretofore taken shall be affected by anything contained herein.

Sec. 13. UNIFORMITY OF INTERPRETATION. This Act shall be so interpreted as to make uniform the laws of those States which enact it.

Sec. 14. NAME OF ACT. This Act may be cited as the Uniform Acknowledgment Act.

Sec. 15. TIME OF TAKING EFFECT. This Act shall not become effective until July 1, 1950.

S. B. No. 258. AN ACT relating to changing the name of County and Public Roads within the unincorporated territory of a county to be KRS 179.335.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Planning and Zoning Commission of any county may initiate a proposed change in the name of any county or public road (except a Federal or State highway) therein, within the unincorporated territory of the county, by the adoption of a proper resolution by which the commission requests the county court to set the matter down for public hearing before the court, which shall be advertised daily for two consecutive weeks in the newspaper having the largest bona fide circulation in the county, which advertisement shall be sufficiently specific to inform the owners of property abutting upon the road of the proposed change of name, acquainting them of the day, time and place of said public hearing and informing them that they may be present thereat and present their views if they so desire.

After such hearing the county court may in its discretion enter such order as it deems proper and necessary, changing or refusing to change the name of such road.

The Planning and Zoning Commission shall pay the cost of such newspaper advertising out of its own budget.

Section 2. This act does not repeal any other act upon the subject, but is an alternate method to those now existing.

S. B. No. 203. AN ACT relating to certain officers, deputies and assistants, and their offices in counties containing a population of 75,000 or more, including authorization to the fiscal court in such counties to appropriate funds for expenditures for certain offices.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That a new section of the Kentucky Revised Statutes be, and hereby is created to read as follows:

(1) The circuit clerk, county clerk, sheriff and jailer of each county having a population of 75,000 or over shall receive an annual salary of \$7,200.00.

(2) The amount, if any, allowed for the necessary office expenses of each such officer shall be fixed by an order entered upon the order book of the circuit court and county court, and signed by the judges or a majority thereof of said courts. A certified copy of the order, and of any subsequent changes made therein, shall, as soon as entered, be forwarded to the Department of Finance.

(3) Each such officer shall, on the first day of each month, send to the Department of Finance a statement, subscribed and sworn to by him, showing the amount of money received or collected by or for him the preceding month, as fees or compensation for official duties, and shall, with such statement, send to the Department of Finance the amount so collected or received. The Department of Finance may extend the time for filing the statement and making the payment for a period not exceeding ten days in any month.

(4) The salary of each such officer and his deputies and assistants and his office expenses, shall be paid monthly by the State Treasurer upon the warrant of the Department of Finance made payable to the officer. If 75 per cent of the amount paid into the State Treasury in any month by any of such officers is not sufficient to pay the salaries and expenses of his office for that month, the deficit may be made up out of the amount paid in any succeeding month; but in no event shall the amount allowed by the Department of Finance to any such officer for salaries and expenses exceed 75 per cent of the amount paid to the Department of Finance by such officer during his official term.

(5) The number of deputies and assistants allowed to each such officer and the compensation allowed to each deputy and

assistant shall be fixed at reasonable amounts upon motion of each such officer by an order entered upon the order book of the circuit court and county court and signed by the judges or a majority thereof of said courts. A certified copy of the order, and of any subsequent changes made therein, shall, as soon as entered, be forwarded to the Department of Finance.

Sec. 2. That KRS Sections 64.040, 64.130, 28.300, 71.070, subsections (2) and (3) of 70.030, subsections (1), (2) and (3) of 64.170 are hereby repealed.

Sec. 3. That Section 64.270 of the Kentucky Revised Statutes be, and the same is hereby repealed, amended and reenacted to read as follows:

(1) In counties containing a population of 75,000 or over, commissioners and receivers appointed by the circuit court shall receive an annual salary of \$6000, payable out of the fees of the office.

(2) The amount, if any, allowed for necessary office expenses of said commissioners and receivers shall be fixed and regulated by an order entered upon the order book of the circuit court. A certified copy of the order and any subsequent changes made therein shall, as soon as entered, be forwarded to the Department of Finance.

(3) Each of said commissioners and receivers shall enter and keep in books in his office an account of the amounts earned by him or due him for official services rendered, when and to whom the service was rendered, what part has been paid, and when paid. He shall annually, in January, report to the Department of Finance, under oath, the amount received by him for official services from all sources during the preceding year, and the amount paid out for deputies, assistants and office expenses, giving separately the amount paid out for each item.

(4) Except as provided in subsection (5) of this section, the commissioner or receiver shall with the annual statement pay to the Department of Finance any amount in excess of \$7,200, re-

ceived during the preceding year for official services, that remains after payment of salaries of deputies and assistants and legitimate office expenses.

(5) Such commissioners and receivers may make up out of the surplus of any year any shortage in their salaries, or the salaries of their deputies, of any previous year.

Sec. 4. That Section 27.080 of the Kentucky Revised Statutes be, and the same is hereby repealed, amended and reenacted to read as follows:

(1) When necessary to aid the commissioner in the discharge of his duties the court may authorize him to appoint, with the approval of the court, deputies to assist him. If more than one deputy be necessary, the court shall determine how many deputies shall be appointed. The deputies shall take the same oath taken by the commissioner, may perform any of his duties and may be removed at his pleasure.

(2) In counties having a population of seventy-five thousand or over the number of deputies allowed to each commissioner and receiver and the compensation allowed to each deputy shall be fixed by an order of the circuit court entered upon the order book, and a certified copy of the order, and any subsequent changes made therein shall, as soon as entered, be forwarded to the Department of Finance.

(3) The salaries provided for by subsection (2) of this section shall be paid out of the fees of the office.

Sec. 5. That a new section of the Kentucky Revised Statutes be, and hereby is created to read as follows:

The fiscal court in counties containing a population of 75,000 or over may authorize and pay out of the general fund of the county for any expenditures which, in its discretion, is deemed necessary for the efficient operation of the offices of the county and circuit court clerk, sheriff and jailer.

Sec. 6. That a new section of the Kentucky Revised Statutes be, and hereby is created to read as follows:

The increase in compensation allowed to circuit and county court clerks, sheriffs, jailers, master commissioners and receivers in counties containing a population of 75,000 or over, as provided for in Sections 1 and 3 of this act, is hereby authorized to be received by said officers in office at the time of the effective date of this act. This act is intended to exercise the authority granted to the Legislature in Section 246 of the Constitution as amended.

Sec. 7. That a new section of the Kentucky Revised Statutes be, and hereby is created to read as follows:

The population of a county shall, for the purposes of this Act, be determined by the most recent Federal decennial census enumeration, provided however that the provisions of this Act shall not become operative to such officers mentioned herein during their term, in counties determined to have acquired, since the last census, a population of more than 75,000.

S. B. No. 249. AN ACT relating to compensation of county tax commissioner's deputies, appraisors and assistants in counties containing a city of the first class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 132.630 of the Kentucky Revised Statutes is amended to read as follows:

In counties containing a city of the first class the annual salary of the deputy county tax commissioners and appraisers

shall be fixed by the county judge by an order entered of record. The salary of the chief deputy shall not exceed \$4200.00 per annum, that of the first three deputies shall not exceed \$3600.00 per annum, that of the sixteen appraisers shall not exceed \$3300.00 per annum, and that of the other deputies and assistants shall not exceed \$3000.00 per annum. The total amount allowed for salaries for the county tax commissioner, his deputies, appraisers and assistants and all other expenses of the office including transportation expense for himself and deputies, shall not exceed in the aggregate the compensation allowed by KRS 132.590. A copy of the order of the county judge fixing the salaries of the deputies and appraisers as well as a copy of any changes made therein, shall be filed with the Department of Revenue by the county court clerk when made.

Sec. 2. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) For the year 1950, the increased compensation authorized by this Act for county tax commissioners, their deputies and assistants, shall be payable at the new rates only for such full months of the year 1950 as remain after the date this Act takes effect. The maximum limits on the compensation of county tax commissioners fixed by this Act shall be deemed to constitute their annual rate of compensation, and each county tax commissioner shall be entitled to receive as compensation for the year 1950 only such sum as would be allowable under this section had his compensation been paid and received in the form of a monthly salary.

(2) It is the express intent of the General Assembly, in accordance with the authority granted by Section 246 of the Constitution, as amended, that the changes in compensation authorized by this Act shall apply to county tax commissioners in office on the effective date of this Act which shall be July 1, 1950.

S. B. No. 250. AN ACT to repeal, amend and re-enact (Sub-section 6) of Section 132.590 of the Kentucky Revised Statutes relating to compensation of county tax commissioners; allowances by state and county for deputy hire and other authorized expenses; monthly salary advancement.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That Subsection (6) of Section 132.590 of the Kentucky Revised Statutes is amended to read as follows:

(6) The County Tax Commissioner shall not retain any part of the compensation allowed his deputies for more than thirty days, nor shall he receive for his personal services, incident to any assessment, more than \$5,000 in any county not having a first or second class city, more than \$6,000 in any county having a second class city or more than \$7,200 in any county having a first class city.

Sec. 2. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) For the year 1950, the increased compensation authorized by this Act for county tax commissioners, their deputies and assistants, shall be payable at the new rates only for such full months of the year 1950 as remain after the date this Act takes effect. The maximum limits on the compensation of county tax commissioners fixed by this Act shall be deemed to constitute their annual rate of compensation, and each county tax commissioner shall be entitled to receive as compensation for the year 1950 only such sum as would be allowable under this section had his compensation been paid and received in the form of a monthly salary.

(2) It is the express intent of the General Assembly, in accordance with the authority granted by Section 246 of the Constitution, as amended, that the changes in compensation authorized by this Act shall apply to county tax commissioners in office on the effective date of this Act which shall be July 1, 1950.

Ordered that said bills and said resolution be printed and referred to the Committee on Rules.

The message which was received from the Senate also an-

nounced that they had adopted resolutions which originated in that body of the following titles, viz:

S. Res. No. 65. A RESOLUTION approving and endorsing the project on recommendations of The George Rogers Clark Memorial Committee of the Commonwealth of Kentucky to honor General George Rogers Clark.

Said resolution is as follows, viz:

WHEREAS General George Rogers Clark was the conqueror of the "Great Northwest" territory and the founder of the City of Louisville, Kentucky, from which point, on June 24, 1778, he started his historic expedition; and

WHEREAS the year 1952 will be the two-hundredth anniversary of the birth of General Clark; and

WHEREAS it is deemed fitting that this Revolutionary War hero be appropriately memorialized, on the occasion of the bicentennial of his birth; and

WHEREAS the Honorable Earle C. Clements, Governor of the Commonwealth of Kentucky, on August 25, 1949, appointed The George Rogers Clark Memorial Committee to study and plan a memorial to General Clark; and

WHEREAS The George Rogers Clark Memorial Committee has approved and recommended

1. The execution and erection of a large and imposing statue of General George Rogers Clark as a memorial to him for his invaluable services to the Nation.

2. The memorial statue be placed at the Louisville entrance to the George Rogers Clark Memorial Bridge across the Ohio River at Louisville, Kentucky.

3. The Congress of the United States be petitioned to appropriate funds for the execution and erection of such mem-

orial, in order that same may be completed and dedicated on June 24, 1952, and

4. Hon. Maurice H. Thatcher be requested and authorized, for and on behalf of the Committee, to draft appropriate bills and arrange to have them introduced in both branches of the Congress of the United States at the earliest date possible.

NOW THEREFORE

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That the project and recommendations of The George Rogers Clark Memorial Committee of the Commonwealth of Kentucky, as set forth hereinabove be and the same is hereby approved and endorsed.

2. That a copy of this Resolution be sent to the Honorable Alben W. Barkley, Vice-President of the United States, Honorable Garrett L. Withers, and Honorable Virgil M. Chapman, United States Senators from Kentucky, and to each of the Kentucky members of the House of Representatives, Washington, D. C.

S. Res. No. 66.

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

WHEREAS, it is necessary at the present juncture of human affairs to enlarge the bases of organized society by establishing a government for the community of nations, in order to preserve civilization and enable mankind to live in peace and be free, the following principles and objectives are hereby enunciated in THE DECLARATION OF THE FEDERATION OF THE WORLD.

Man, the source of all political authority, is a manifold political being. He is a citizen of several communities: the state, the nation and the world. To each of these communities he owes

inalienable obligations and from each he receives enduring benefits.

Communities may exist for a time without being incorporated but, under the stress of adversity, they disintegrate unless legally organized. Slowly but purposefully through the centuries, civilization has united the world, integrating its diverse local interests and creating an international community that now embraces every region and every person on the globe. This community has no government, and communities without governments perish. Either this community must succumb to anarchy or submit to the restraints of law and order.

Governments can only be established through the deliberate efforts of men. In the history of the world, two elemental forces have struggled to organize the international community: totalitarianism and democracy. The former, a version of repudiated militarism and tyranny, is predicated upon the principle of compulsion, rules through dictatorship and enclaves men; the latter, a proved bulwark of the rights of man as a human being and as a citizen, derives its authority from the consent of the governed, embodies the will of free men and renders their collective judgments supreme in human affairs. The corner stone of totalitarianism is the ethnographic state, whose restricted interests define the scope of its favors; the foundation of democracy is man whose integrity is inviolable and whose welfare is its primary concern. The motivating power of the former is violence; of the latter, freedom. One feeds upon unscrupulous ambition; the other upon an enlightened sense of obligation.

One or the other of these forces will now triumph and govern mankind. The present issue is irrespressible and decisive. It is the challenge of the ages to the generation of today, and represents those spiritually cosmic forces which visit the world at critical periods in human history to shape the destinies of men. This world cannot exist half-slave, half-free; half-totalitarian, half-democratic. The laws of civilized society prevent intercourse between slaves and free men from being either congenial or profitable. If totalitarianism succeeds, the world will be ruled by tyrants, and individuals will be slaves. If democracy triumphs, the nations of the earth will be united in a

commonwealth of free peoples, and individuals, wherever found, will be the sovereign units of the new world order.

Man has struggled from time immemorial to endow the individual with certain fundamental rights whose very existence is now imperiled. Among those rights is man's freedom to worship, speak, write, assemble and vote without arbitrary interference. To safeguard these liberties as a heritage for the human race, governments were instituted among men, with constitutional guarantees against the despotic exercise of political authority, such as are provided by elected parliaments, trial by jury, habeas corpus and due process of law. Man must now either consolidate his historic rights or lose them for generations to come.

The ceaseless changes wrought in human society by science, industry and economics, as well as by the spiritual, social and intellectual forces which impregnate all cultures, make political and geographical isolation of nations hereafter impossible. The organic life of the human race is at last indissolubly unified and can never be served, but it must be politically ordained and made subject to law. Only a government capable of discharging the functions of sovereignty in the executive, legislative and judicial spheres can accomplish such a task. Civilization now requires laws, in the place of treaties, as instruments to regulate commerce between people. The intricate conditions of modern life have rendered treaties ineffectual and obsolete, and made laws essential and inevitable. The age of treaties is dead; the age of law is here.

Governments, limited in their jurisdiction to local geographical areas, can no longer satisfy the needs or fulfill the obligations of the human race. Just as feudalism served its purpose in human history and was superseded by nationalism, so has nationalism reached its apogee in this generation and yielded its hegemony in the body politic to internationalism. The first duty of government is to protect life and property, and when governments cease to perform this function, they capitulate on the fundamental principle of their *raison d'être*. Nationalism, moreover, is no longer able to preserve the political independence or the territorial integrity of nations, as recent history so tragically

confirms. Sovereignty is an ideological concept without geographical barriers. It is better for the world to be ruled by an international sovereignty of reason, social justice and peace than by diverse national sovereignties organically incapable of preventing their own dissolution by conquest. Mankind must pool its resources of defense if civilization is to endure.

History has revealed but one principle by which free peoples, inhabiting extensive territories, can unite under one government without impairing their local autonomy. That principle is federation, whose virtue preserves the whole without destroying its parts and strengthens its parts without jeopardizing the whole. Federation vitalizes all nations by endowing them with security and freedom to develop their respective cultures without menace of foreign domination. It regards as sacred man's personality, his rights as an individual and as a citizen and his role as a partner with all other men in the common enterprise of building civilization for the benefit of mankind. It suppresses the crime of war by reducing to the ultimate minimum the possibility of its occurrence. It renders unnecessary the further paralyzing expenditure of wealth for belligerent activity, and cancels through the ages the mortgages of war against the fortunes and services of men. It releases the full energies, intelligence and assets of society for creative, ameliorative and redemptive work on behalf of humanity. It recognizes man's morning vision of his destiny as an authentic potentiality. It apprehends the entire human race as one family, human beings everywhere as brothers and all nations as component parts of an indivisible community.

There is no alternative to the federation of all nations except endless war. No substitute for The Federation of the World can organize the international community on the basis of freedom and permanent peace. Even if continental, regional or ideological federations were attempted, the governments of these federations, in an effort to make impregnable their separate defenses, would be obliged to maintain stupendously competitive armies and navies, thereby condemning humanity indefinitely to exhaustive taxation, compulsory military service and ultimate carnage, which history reveals to be not only criminally

futile but positively avoidable through judicious foresight in federating all nations.

It Being Our Profound and Irrevocable Conviction:

That man should be forever free and that his historic rights as an individual and as a citizen should be protected by all the safeguards sanctioned by political wisdom and experience.

That governments are essential to the existence of communities and that the absence of government is anarchy.

That there exists an international community, encompassing the entire world, which has no government and which is destined either to be ruthlessly dominated and exploited by totalitarianism or to be federated by democracy upon the principle of freedom for all nations and individuals.

That all human beings are citizens of this world community, which requires laws and not treaties for its government.

That the present issue will determine the survival of free institutions throughout the world, and that it is morally incumbent upon this generation, as one of the declared objectives of its political policy, to federate the nations, in order to make secure, and hereafter unchallenged, freedom for all peoples everywhere, and in order to validate the devotion of those who gave their lives and fortunes for the triumph of democracy by making timeless and incorruptible the utility of their sacrifice.

That World Federation is the keystone in the arch of civilization, humanity's charter of liberty for all peoples and the signet authenticating at last the union of the nations in freedom and peace.

That the universal ordeal, through which mankind is now passing, marks the birth of a new epoch that will affirm for all time the indestructible solidarity of civilization and the abiding unity of the human race.

That there are supreme moments in history when nations are summoned, as trustees of civilization, to defend the heritage of the ages and to create institutions essential for human progress. In the Providence of God, such a crisis is this hour, com-

pling in duty and unprecedented in responsibility—a fateful moment when men meet destiny for the fulfillment of historic tasks.

Now, Therefore, be it resolved by the Senate, the House of Representatives concurring:

Section 1. That the General Assembly of Kentucky does hereby solemnly declare that all peoples of the earth should now be united in a World Federation, and requests the Senators and Members of the House of Representatives in Congress from the State of Kentucky to support and vote for a Resolution in the Congress of the United States, approving the principle of World Federation and requesting the President of the United States to initiate the procedure necessary to formulate a Constitution for The Federation of the World, which shall be submitted to each nation for its ratification, by implementing Article 109 of the United Nations Charter, providing for the calling of a general conference to revise the charter of the United Nations, so as to transform that institution into a world lawmaking body with powers adequate to assure peace and to enforce justice on individuals.

Section 2. That a copy of this Resolution be sent to the President of the United States, to the Secretary of State of the United States and to each of the Senators and Members of the House of Representatives in Congress from the State of Kentucky.

Section 3. That this Resolution shall be in full force and effect from and after its ratification.

S. Res. No. 67. A CONCURRENT RESOLUTION relating to a national health program.

Said resolution is as follows, viz:

WHEREAS, the American people today lead the world in standards of Health, medical care, scientific research, hospital and nursing facilities, and

WHEREAS, this high degree of public health care is a product of free enterprise; and

WHEREAS, Compulsory Health Insurance, wherever tried, has led to deterioration of medical care and hospital and other medical care and hospital and other medical facilities, with resulting decline in National health,

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

That the General Assembly of the Commonwealth of Kentucky does hereby go on record against any form of Compulsory Health Insurance or any system of political medicine designed for national bureaucratic control;

That a copy of this Resolution be forwarded to each United States Senator and each Representative in Congress from Kentucky, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

Ordered that said resolutions be laid on the Clerk's desk.

The message which was received from the Senate also announced that they had passed bills which originated in this body of the following titles, viz:

H. B. No. 278. AN ACT relating to school taxes, by whom levied; amount of levy; when levy to be made; property subject to levy; furnishing of assessment valuations.

H. B. No. 258. AN ACT relating to motor transportation and motor vehicles.

H. B. No. 116. AN ACT relating to insurance.

Ordered that said bills be delivered to the Enrolling Clerk of this House.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 231. AN ACT relating to the purgation of voters.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Sections 117.330; 117.340; 117.350; 117.360; 117.370; 117.380; 117.390; 117.400; 117.410; 117.420; 117.425; 117.430; 117.440; 117.450; 117.460; 117.470; 117.480; 117.490; 117.500; 117.510; 117.520; 117.540; 117.541; 117.542; 117.543; 117.544; 117.545; 117.550; 117.560; 117.570; 117.580; 117.590; and 117.990 of Kentucky Revised Statutes are repealed.

Section 2. Section 117.330 of the Kentucky Revised Statutes is re-enacted to read as follows:

Definition of "voter": The word "voter" whenever used in KRS 117.050 to and including section 117.370 includes all names contained in any registration list, whether the voter is illegal or legal voter and regardless of whether the voter is a man or a woman.

Section 3. Section 117.335 of the Kentucky Revised Statutes is created to read as follows:

Precinct boards of registration and purgation; their appointment; qualifications; removal and term of office:

The County Executive Committee of each political party in each county, having representation upon the State Board of Election Commissioners, shall not later than the 30th day of April 1950 appoint one member of the precinct registration and purgation board for each election precinct in said county, and the third member of each precinct board shall be appointed not later than the 30th day of April 1950 by the Election Commis-

sioners in each county, irrespective of political party affiliation. Each of the precinct registration and purgation board members shall be at least twenty-one years of age, shall reside in the precinct of his appointment, and shall possess all of the qualifications of a legal voter. The appointing body may remove any member of the precinct board it has appointed, for any cause. All members of the precinct board appointed on or before April 30, 1950 shall serve for a term of four years unless removed prior thereto; shall be eligible for reappointment; subsequent precinct board members shall be appointed every four years for a term of four years beginning with April 30th, 1954.

Section 4. Section 117.340 of the Kentucky Revised Statutes is re-enacted to read as follows:

Certificate of appointment and oath of precinct board members; The members of each precinct registration and purgation board shall receive a certificate of his appointment from the appointing body signed by the chairman and one other member of said body; shall before entry upon their duties, present said certificate to some officer authorized to administer oaths, and before said officer make oath of their office of such precinct board members.

Section 5. Section 117.345 of the Kentucky Revised Statutes is created to read as follows:

General duties of precinct boards; officers:

The precinct boards of registration and purgation in their respective precincts shall administer the provisions of this Act. Each board may adopt such reasonable rules and regulations as are necessary to carry out the duties herein set out. At the first meeting after their appointment each precinct board shall select one of their members as chairman and another as secretary; the chairman and secretary shall not belong to the same one of the two political parties having representation upon the State Board of Election Commissioners; the chairman of the Board shall preside over all meetings.

Section 6. Section 117.350 of the Kentucky Revised Statutes is re-enacted to read as follows:

Compensation of precinct board members; time and place of meetings.

Members of the precinct registration and purgation boards shall receive compensation at the same rate per day as now allowed or that may be allowed at the time to election officers, but the number of days for which pay shall be allowed shall not exceed ten (10) per year within the year in which they are required to meet, or not to exceed a total of 20 days for each four year term. The first meeting of the precinct board in each precinct in the State shall be at or near the regular polling place within the precinct on the first Saturday following the first day of June, 1950, beginning at the hour of 9:00 o'clock a. m. at which time each precinct board shall appoint officers, prepare notices, and do all other business incidental to entry upon their duties. At the close of meetings following completion of their duties pertaining to purgation of voters in the year 1950, each precinct board shall re-assemble, organize, and perform its duties as set out in this Act every other year on even-numbered year upon the first Saturday following the 1st day of June in each subsequent even-numbered year and remain in session for such number of days, although not consecutively, as may be required to complete its duties, so long as the number of days of such meetings do not exceed 10 within any one year.

Section 7. Section 117.355 of the Kentucky Revised Statutes is created to read as follows:

Supplies, lists of voters, payment.

Each precinct board of registration and purgation may purchase such supplies as actually necessary to enable it to perform its duties under this Act and payment therefor shall be allowed by the Fiscal Court of each respective county upon submission of an itemized statement therefor duly signed by the chairman and secretary of the precinct board. The County Court Clerk shall furnish each precinct board, upon request of any member, a copy of list of all registered voters in said precinct as shown by

his registration books, without cost, such lists to be furnished immediately prior to the bi-annual meeting of said precinct board.

Section 8. Section 117.360 of the Kentucky Revised Statutes is re-enacted to read as follows:

Procedure for purgation by precinct board; notice and hearing.

Upon the first day of the meeting of the precinct registration and purgation board as required in this Act under KRS Section 117.350, it shall cause notices to be posted in at least ten prominent places within the precinct on said day stating thereon that said Board will hold its second day's meeting on the following Saturday, beginning at the hour of 9 A.M. o'clock, at a designated place in the precinct, for the purpose of hearings, and other necessary business in connection with the purgation of the entire precinct, and will continue sessions daily thereafter until its work is completed, as required by this Act. After the publication and posting of said notices the precinct board will reconvene at the time and place shown therein upon the following Saturday and will proceed with all dispatch to determine from personal knowledge and information the names of any and all registered voters in said precinct whose names should be purged; that upon any complaint or question be presented as to the legality of any registered voter, said board will cause a notice to be mailed to the last known address of said voter to appear within five (5) days thereafter before said board and show cause why his registration should not be purged, and upon a failure to so appear within the time fixed, the registration of such voter shall be cancelled by the board. The Board may in its discretion adjourn its meetings for any reasonable time to enable it to comply with the requirements of this Act. Upon request of any registered voter for a hearing upon the question of his registration, the Board shall grant such hearing in a summary manner; may reasonably limit the number of witnesses; shall make a determination of the legality of such registration.

Section 9. Section 117.365 of the Kentucky Revised Statutes is created to read as follows:

Decision of precinct purgation board; appeal.

If the precinct purgation board finds that any voter who has been challenged is not properly and legally registered, his registration shall thereupon be canceled by it. If it finds that he is properly and legally registered nothing further shall be done with his name. Any voter feeling himself aggrieved by the ruling of the precinct board may appeal such ruling to the County Court; such appeal may be taken by the filing of a written statement of the act of the board complained of and the grounds of the complaint. Before any such appeal is taken, written notice must be served upon the Chairman of the precinct board complained of, stating the time and place at which the appeal will be presented, the grounds therefor; such notice to give reasonable time for the precinct board to be present.

Section 10. Section 117.370 of the Kentucky Revised Statutes is re-enacted to read as follows:

Report by Precinct board to County Court Clerk.

Immediately after the completion of its work bi-annually, each precinct purgation board shall furnish the County Court Clerk with an accurate list of the voters names who have been purged by it, and the clerk shall strike those names from the registration lists and records and they shall not be included in subsequent lists of voters in said precinct furnished to precinct election officers unless the action of the precinct purgation board has been set aside by an appeal to the County Court.

Section 11. Section 117.375 of the Kentucky Revised Statutes is created to read as follows:

Fees of county clerk in connection with purgation.

The county clerk is entitled, for all services with relation to purging of the registration herein mentioned, to a fee of five cents for each name ordered stricken off or canceled as provided in KRS 117.370.

Section 12. Section 117.990 of the Kentucky Revised Statutes is re-enacted to read as follows:

Penalties.

Any person who willfully fails or refuses to perform any of his duties set forth in KRS 117.335; 117.340; 117.345; 117.350; 117.355; 117.360; 117.365; and 117.370 shall be fined not less than one hundred dollars nor more than five hundred dollars, or confined in the county jail for not less than thirty nor more than 180 days, or both so fined and sentenced to jail, in the discretion of the jury or court for each offense; that each day of refusal or failure to serve or carry out the duties as prescribed under this Act shall constitute a separate offense.

Section 13. All laws or parts of laws inconsistent with the provisions of this Act are hereby repealed to the extent of such conflict.

Section 14. The provisions of this Act shall be severable, and if any section, subsection, paragraph, sentence, or clause of this Act is held invalid or unconstitutional such decision shall not affect the remaining portions of this Act.

Mr. Snapp and Dr. Sanders offered the following amendment to said bill by way of substitute therefor, viz:

AN ACT relating to qualification, registration and purgation of voters. This Act shall be known as the Sanders-Snapp Purgation Act.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 117.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) The State Board of Registration and Purgation shall, on January 1 of each year, appoint a county board of registration and purgation for each county, to serve for the ensuing year. The county board of registration and purgation shall consist of three members, of whom one shall be chosen from each of the two political parties having representation upon the State Board of Election Commissioners and one shall be another citizen of the county to be selected by the State Board of Registration and Purgation. Each of the members shall be at least twenty-one

years of age, shall reside in the county of his appointment, and shall possess all of the qualifications of a legal voter. The State Board of Registration and Purgation may remove any member of the county board of registration and purgation for any cause.

(2) If the State Board of Registration and Purgation shall fail to name a county board of registration and purgation at the designated time, or if a member or members of a county board shall fail to qualify within ten days after appointment, or refuse to serve, then any citizen of the county may bring a summary proceeding in the Franklin Circuit Court to compel the appointment of such county board, or the designation of persons to fill vacancies thereon, as the case may be.

Sec. 2. Section 117.420 of the Kentucky Revised Statutes is amended to read as follows:

(1) Members of county boards of registration and purgation shall receive from three to eight dollars each per day, the exact compensation per day to be fixed by the fiscal court, for not more than thirty days per year, except in counties containing cities of the first class, in which counties each member shall receive \$1200 per annum, to be paid by the fiscal court in monthly installments. In all counties the board shall meet at least once during the first ten days of the sixty-day period next preceding any primary or regular election, and may remain in session for the purpose of hearing challenges continuously from that time until such election is held. The board shall also meet at such other time or times as may be necessary to enable it to perform its duties. The board shall hold all of its meetings at the court house unless it is necessary that it hold meetings at some other place in the county, but no meeting shall be held at any other place in the county unless the persons affected by the meeting are given notice by registered mail of its time and place. All meetings of the board shall be public.

(2) If any county board of registration and purgation fails to meet as required in this chapter, or fails to make a diligent effort to effect an adequate purgation, then any citizen of the county may prefer charges against said board before the State

Board of Registration and Purgation, which charges shall be heard and disposed of within five days after notice of five days has been given to the county board. If the State Board fails to act on said charges as herein provided, then said citizen may apply to Franklin Circuit Court for a summary mandatory order.

(3) It shall be the duty of the grand jury in each county to inquire, at least once in every period of twelve months, into the state of the registration records of the county, and to report its findings in open court.

Sec. 3. Section 117.440 of the Kentucky Revised Statutes is amended to read as follows:

The county boards of registration and purgation may examine the registration lists and registration books in the county clerk's office, and in the office of the board of registration commissioners in cities of the first class, as often as they deem advisable, and shall examine the registration books after the closing date of the books for registration and before any regular, special or primary election, for the purpose of removing from the lists or books the names of persons who have, since the date of their registration, died, moved, or otherwise become disqualified to vote. If a county board of registration and purgation, upon investigation, has reasonable grounds to believe that there are names upon the registration lists or books of persons who have died, moved, or otherwise become disqualified to participate in any regular, special, or primary election, the board shall prepare a list of such names. When the board challenges the registration of any voter, it shall immediately notify the voter by mail at his place of residence shown upon the registration list or book that his right to vote in the regular, special or primary election has been challenged and that his name will be stricken from the registration list or book unless he appears before the board within five days and shows cause why his name should not be stricken. If the voter appears and desires to be heard upon the challenge, the board shall hear and determine whether or not the name of the voter shall remain upon the registration lists or books, and no name shall be stricken from the registration lists or books until the voter has been given an opportunity to be

heard. If the board determines that the voter is legally registered, his name shall remain upon the registration lists or books. If after a hearing, the board determines that the name of the voter is illegally or improperly upon the lists or books, it shall enter an order directing the county clerk or board of registration commissioners to strike the name of the voter therefrom. If, after the mailing of notice to the voter, as aforesaid, he fails to appear before the board and contest the challenge, it shall be prima facie evidence that his name illegally or improperly appears upon the registration lists or books, and the board without further hearing shall strike his name therefrom. The notice herein provided for shall be by mail, and the five days allowed for protest shall not include the date of mailing. In the event any such mail is returned by the post office, the names of the voters to whom such mail was addressed shall be published in the newspaper that has the largest bona fide circulation in the county, with notice that they are to be purged from the voting lists unless they appear before the county board of registration and purgation to contest the challenge within five days after publication of said notice; provided, however, that in the case of voters unable to appear personally before the board because of illness, physical infirmities or temporary absence from the community, the board shall accept in lieu of personal appearance a written statement, duly notarized, either of the voter or of his attorney, and setting forth the voter's case. After completing its purgation of the registration lists of a county, the board shall promptly notify the county clerk or board of registration commissioners of all names purged by it.

Sec. 4. A new section of the statutes is created to be numbered KRS 117.495 and to read as follows:

(1) The county board of registration and purgation of each county shall cause a purging and correcting of the registration books and records of the county, except within cities of the first class, for any primary, special or regular election upon the request in writing of the county executive committee of either of the two political parties having representation upon the State Board of Election Commissioners, or upon the request in writing of any candidate for office in said election, or upon the deter-

mination by said county board that such purging and correcting are necessary or desirable.

(2) The county board of registration and purgation shall cause to be made a house to house canvass in each precinct of the county with respect to which a request has been made under subsection (1) of this section and in such other precincts as said board may designate; provided, however, that the board shall not be required to cause a house to house canvass to be made in a particular precinct more than once in any twelve-month period; and provided, further, that the board shall not be required to cause a house to house canvass to be made in any precinct or precincts if the board shall, upon investigation, find that such a canvass would serve no useful purpose. The canvass in each precinct shall be made jointly by two investigators, who shall be appointed by the county board of registration and purgation from each of the two leading political parties at least three days in advance of the date specified for the commencement of the canvass. The county board of registration and purgation may remove any investigator and appoint a substitute, provided that the substitute shall be of the same political party as the person removed. The canvass shall be commenced during the first two weeks of the sixty-day period next preceding the date upon which the primary, special or regular election is to be held, and shall be concluded within two weeks after its commencement. The county board of registration and purgation shall furnish the investigators with a list of names and addresses of the registered voters in the precinct which they are to investigate, arranged in convenient order to facilitate investigation.

(3) The investigators for each precinct shall make a written report to the county board of registration and purgation not later than the last day of the two-week period provided for making the canvass, giving the names and addresses of all persons properly registered in the precinct who are legally entitled to vote in the ensuing primary, special or regular election, as the case may be. When the report of the investigators in any precinct indicates that any person registered in the precinct is not legally entitled to vote at the ensuing election, the county board of registration and purgation shall remove, transfer or cancel, or cause

to be removed, transferred or canceled, such registration, so as to make the record correspond with the report made by the investigators and to correct the registration record to the date of the report; provided, however, that no such change shall be made until after all the provisions relating to notice to the affected voter and his right to a hearing before the county board of registration and purgation set forth in KRS 117.440, as amended, have been complied with.

(4) This section shall apply to counties containing a city of the first class, as to territory within the county outside such city.

Sec. 5. Section 117.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) At the time of registering a voter outside of cities of the first class, the county clerk shall enter upon the original record form the name of the voter and all other information called for on the form. After the entries have been made, the voter shall write his signature upon both the original and copy record forms. If any applicant for registration states under oath that he cannot write his name, the clerk shall sign the registration record forms for such person, and such person shall sign the records by making his mark thereon and the clerk shall attest the same. The clerk, at the time of registering the voter or as soon there-after as practicable, shall enter upon the copy record form the name of the voter together with all of the information appearing on the original record form, so that the copy form shall be an exact duplicate of the original, and shall at all times keep in a safe place in his office both the original and copy record forms, except that the copy forms shall be furnished to the election officers as provided in KRS 117.110. The original and copy record forms shall be filed in securely locked binders or card files, by precincts, in such systematic order as is prescribed by the board referred to in KRS 117.070, and shall constitute the precinct registers to be used as provided in this chapter.

(2) Immediately after the closing of the registration books as provided in KRS 117.050, and in any event not later than

twelve days after such closing, the county clerk shall prepare a list, in quadruplicate, of all registered voters in each precinct as shown by his registration books, and shall furnish one copy, without cost, to the county board of registration and purgation. After the county board of registration and purgation has completed its purgation of the registration lists and has notified the county clerk of the names purged, he shall strike those names from the quadruple lists prepared by him. The lists so corrected shall be furnished in triplicate to the election clerks as provided in KRS 117.110.

Sec. 6. Section 117.430 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each county board of registration and purgation may employ such clerical, stenographic and other help, and purchase such supplies and equipment, as it deems necessary to carry out its duties under the provisions of this chapter. The help so employed and supplies and equipment so purchased shall be paid for by the fiscal court of the county upon certification of the cost to the fiscal court by the chairman and secretary of the board, accompanied by an affidavit of the chairman and secretary of the board that the employment or purchase was necessary in the discharge of the duties of the board and that the amount allowed or expended for such help, supplies and equipment was in their opinion reasonable.

(2) Each county board of registration and purgation shall employ the investigators provided for in this chapter. Investigators shall receive from three to eight dollars per day, the exact compensation per day to be fixed by the fiscal court, for not more than twenty days per year.

Sec. 7. Sections 117.425, 117.460, 117.470, 117.480, and 117.490 of the Kentucky Revised Statutes are repealed.

Sec. 8. Section 117.560 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person whose right to vote has been denied or whose name has been stricken from the registration lists or regis-

tration books, or who is otherwise aggrieved by any act in respect to his registration, by the county board of registration and purgation, or by the board of registration commissioners of a city of the first class, and any person or party executive committee that has challenged the registration of any voter and is aggrieved by any act of the county board of registration and purgation or of the board of registration commissioners of a city of the first class, may appeal from the board. In the case of voters in cities of the first class, the appeal shall be taken to any judge of the circuit court of the county in which the city is located. In the case of other voters, the appeal shall be taken to the county judge or to a judge of the circuit court of the county. The appeal shall be taken by presenting to the judge a written statement of the act of the board complained of, and the grounds of the complaint. In the case of voters in cities of the first class, the statement shall be made on printed forms furnished by the board of registration commissioners. Before the appeal is taken, written notice shall have been given to the board complained of, stating the time and place at which and the name of the judge before whom the appeal will be presented, and the grounds therefor, so as to give the board a reasonable opportunity to be present at such time and place.

(2) The appeals provided for by this section shall be perfected not less than five days prior to any primary, regular or special election, and if not perfected within that time no county or circuit judge shall have jurisdiction to hear the appeal.

(3) The judge to whom the appeal is taken shall, at the time fixed in the notice of appeal or at a subsequent time fixed by him, summarily decide the question presented and endorse on the statement of complaint an order disposing of it. The action of the judge shall be final, and upon return of the statement of complaint, with the order of the judge endorsed thereon, to the county clerk or to the office of the board of registration commissioners, the clerk or board shall correct its record in accordance with the order.

Sec. 9. Sections 117.330 to 117.990 of the Kentucky Revised Statutes, including any of the sections in that group that have been amended by this Act, shall not apply in counties con-

taining a population of more than 40,000 and less than 150,000. In such counties only, the provisions of Sections 10 to 19 of this Act shall apply.

Sec. 10. The word "voter" whenever used in Sections 11 to 19 of this Act includes all names contained in any registration list, whether the voter is an illegal or legal voter and regardless of whether the voter is a man or a woman.

Sec. 11. In each county having a population of more than 40,000 and less than 150,000, the County Executive Committee of each political party having representation upon the State Board of Election Commissioners may not later than April 30, 1950, appoint one member of the precinct registration and purgation board for each election precinct in said county, and the third member of each precinct board shall be appointed not later than April 30, 1950, by the county board of election commissioners, irrespective of political party affiliation. Each of the precinct registration and purgation board members shall be at least twenty-one years of age, shall reside in the precinct of his appointment, and shall possess all of the qualifications of a legal voter. The appointing body may remove any member of the precinct board it has appointed, for any cause. All members of the precinct board appointed on or before April 30, 1950, shall serve for a term of four years unless removed prior thereto, and shall be eligible for reappointment. Subsequent precinct board members shall be appointed every four years for a term of four years beginning with April 30, 1954.

Sec. 12. Each member of a precinct registration and purgation board shall receive a certificate of his appointment from the appointing body signed by the chairman and one other member of said body, and before entry upon his duties, shall present said certificate to some officer authorized to administer oaths, and before said officer make oath of office.

Sec. 13. The precinct boards of registration and purgation in their respective precincts shall administer the provisions of Sections 15 to 19 of this Act. Each board may adopt such reasonable rules and regulations as are necessary to carry out the

duties therein set out. At the first meeting after their appointment each precinct board shall select one of their members as chairman and another as secretary. The chairman and secretary shall not belong to the same one of the two political parties having representation upon the State Board of Election Commissioners. The chairman of the Board shall preside over all meetings.

Sec. 14. Members of the precinct registration and purgation boards shall receive compensation at the same rate per day as now allowed or that may be allowed at the time to election officers, but the number of days for which pay shall be allowed shall not exceed ten per year within the year in which they are required to meet, or not to exceed a total of twenty days for each four-year term. The first meeting of the precinct board in each precinct shall be at or near the regular polling place within the precinct on the first Saturday following the first day of June, 1950, beginning at the hour of 9:00 a.m., at which time each precinct board shall select officers, prepare notices, and do all other business incidental to entry upon their duties. At the close of meetings following completion of their duties pertaining to purgation of voters in the year 1950, each precinct board shall re-assemble, organize, and perform its duties as set out in Sections 15 to 19 of this Act every other year, in the even-numbered years, upon the first Saturday following the 1st day of June, and remain in session for such number of days, although not consecutively, as may be required to complete its duties, so long as the number of days of such meetings do not exceed ten within any one year.

Sec. 15. Each precinct board of registration and purgation may purchase such supplies as actually necessary to enable it to perform its duties and payment therefor shall be allowed by the fiscal court of the county upon submission of an itemized statement therefor duly signed by the chairman and secretary of the precinct board. The county court clerk shall furnish each precinct board, upon request of any member, a copy of a list of all registered voters in said precinct as shown by his registration books, without cost, such lists to be furnished immediately prior to the biennial meeting of said precinct board.

Sec. 16. Upon the first day of the meeting of the precinct registration and purgation board as required in Section 14 of this Act, it shall cause notices to be posted in at least ten prominent places within the precinct, stating that the board will hold its second day's meeting on the following Saturday, beginning at the hour of 9 a.m., at a designated place in the precinct, for the purpose of hearing and other necessary business in connection with the purgation of the entire precinct, and will continue sessions daily thereafter until its work is completed. After the publication and posting of said notices the precinct board shall re-convene at the time and place shown therein upon the following Saturday and proceed with all dispatch to determine from personal knowledge and information the names of any and all registered voters in said precinct whose names should be purged. Upon any complaint or question being presented as to the legality of the registration of any voter, the board shall cause a notice to be mailed to the last known address of said voter to appear within five days thereafter before the board and show cause why his registration should not be purged, and upon a failure to so appear within the time fixed, the registration of such voter shall be cancelled by the board. The board may in its discretion adjourn its meetings for any reasonable time to enable it to comply with the requirements of this section. Upon request of any registered voter for a hearing upon the question of his registration, the board shall grant such hearing in a summary manner; may reasonably limit the number of witnesses; and shall make a determination of the legality of such registration.

Sec. 17. If the precinct registration and purgation board finds that any voter who has been challenged is not properly and legally registered, his registration shall thereupon be canceled by it. If it finds that he is properly and legally registered nothing further shall be done with his name. Any voter feeling himself aggrieved by the ruling of the precinct board may appeal such ruling to the county court. Such appeal may be taken by the filing of a written statement of the act of the board complained of and the grounds of the complaint. Before any such appeal is taken, written notice must be served upon the chairman of the precinct board complained of, stating the time and

place at which the appeal will be presented, and the grounds therefor, and such notice shall give reasonable time for the precinct board to be present.

Sec. 18. Immediately after the completion of its work biennially, each precinct registration and purgation board shall furnish the county court clerk with an accurate list of the voters' names who have been purged by it, and the clerk shall strike those names from the registration lists and records and they shall not be included in subsequent lists of voters in said precinct furnished to precinct election officers unless the action of the precinct purgation board has been set aside by an appeal to the county court.

Sec. 19. The county clerk is entitled to a fee of five cents for each name ordered stricken off or canceled as provided in Section 18 of this Act.

Sec. 20. Any person who willfully fails or refuses to perform any of his duties set forth in Sections 10 to 19 of this Act shall be fined not less than one hundred dollars nor more than five hundred dollars, or confined in the county jail for not less than thirty nor more than 180 days, or both. Each day of refusal or failure to serve or carry out the duties as prescribed under Sections 10 to 19 of this Act shall constitute a separate offense.

Sec. 21. Whereas, the registrative lists and books in each county of the state contain many names which should be purged, and in order that free and equal elections be held this year it is necessary that the purgation machinery be set in operation at an early date, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Said amendment to said bill by way of substitute therefor was agreed to.

Mr. Losey offered the following amendment to said amendment to said bill by way of substitute therefor, viz:

Amend substitute to H. B. No. 231, on page 14, section 20,

by adding a new section to be known as Section 20-A as follows:

“Any person not owning real estate may file with the county court clerk of the county in which he resides a sworn statement that he does not own any real estate and that he intends and desires to make a designated precinct in the county in which he resides his legal voting precinct, and if such person is otherwise a qualified voter he shall thereafter be deemed to be a legal voter of such precinct. A statement so filed shall remain effective for a period of two years, and may be renewed thereafter for successive two-year periods.”

Mr. Love offered the following amendment to Amendment No. 1 to said amendment to said bill by way of substitute therefor, viz:

Amend H. B. No. 231 by amending Amendment No. 1 by striking out the word “two” in the last line of the amendment and add the word “six.”

Said amendment to Amendment No. 1 to said amendment by way of substitute therefor was disagreed to, and

Thereupon, said Amendment No. 1 to amendment to said bill by way of substitute therefor was agreed to.

Mr. Snapp moved the Previous Question.

Whereupon, the Speaker announced, “Shall the Main Question be now put?”

Which was decided in the affirmative.

Mr. William L. Jones moved that the vote by which the Previous Question was ordered on said bill be reconsidered.

Said motion was agreed to.

Thereafter, such reconsideration.

Mr. William L. Jones moved that the vote by which said

Amendment No. 1 to amendment to said bill by way of substitute therefor be reconsidered.

Said motion was agreed to.

Thereafter, such reconsideration.

Thereupon, said Amendment No. 1 to amendment to said bill by way of substitute therefor was disagreed to.

Mr. Losey moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Fred Beshear	R. Josh Cosby
Edgar Arnett	Edward O. Bridges	Owen Deering
Sidney Baer	Mrs. M. E. Burnett	Thomas R. Duncan
Clarence J. Barnum	Alex Calvert	Mitchell S. Fannin
C. E. Baumgardner	Stanley Carter	Henry C. Hale

James P. Hanratty	True Mackey	LeRoy Saylor
Paul E. Hayes	William T. Marshall	Jesse H. Shelton
John A. Head	G. Lee McClain	Forest Smith
William K. Henry	Jack McPherron	Joseph T. Snapp
E. R. Hilton	Archie R. Moore	John M. Spaulding
Ray Holbrook	Emmett G. Moore	Raymond D. Stigall
Woodrow W. Hollan	Walter R. Moorman	Mrs. Thelma Stovall
Richard R. Houpt	Fred H. Morgan	W. R. Stringer
Silas Jacobs	C. S. Nabb	M. G. Thompson
Barkley Jones	James H. Polsgrove	Rev. T. H. Tinsley
William Jones	Leonard W. Preston	Fred M. Warns
Mrs. J. T. Linton	W. R. Reasor	Harry Lee Waterfield
Homer E. Losey	Carl J. Ruh	Morris Weintraub
A. L. (Chick) Love	Amos Runyan	G. F. Williamson
Harry K. Lowman	Dr. Roy Sanders	—59

Those who voted in the negative were—

John D. Beatty	Harold G. Helm	John Martin
R. O. Blevins	W. M. Horn	Alton Mitchell
L. E. Bradley	Durham W. Howard	Dr. C. E. Palmore
Charles W. Burnley	Maurice G. Howard	J. Claude Stacy
G. I. Drury	James W. Lambert	Charles W. Wirsch
C. A. Hammons		—16

Mr. Hayes and Mr. Hale offered the following amendment to the title of said amendment to said bill by way of substitute therefor, viz:

Amend title of amendment to H. B. No. 231 by way of substitute therefor by adding at the end thereof the following: "This Act shall be known as the Sanders-Snapp Purgation Act."

Said amendment to the title of said amendment by way of substitute to said bill was agreed to.

Resolved that the title thereof be as amended.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

A message was received from the Senate announcing that they had passed a bill which originated in this body of the following title, viz:

H. B. No. 142. AN ACT providing for the employment of a county road engineer, and establishing his qualifications, and in the alternative for the employment of a county road supervisor, and establishing his qualifications, and providing for temporary employes, for examinations, for salaries, and for contracts between counties for joint employment of the same employe, and for other purposes related thereto; and amending KRS 179.020.

With an amendment thereto as proposed and adopted by the Senate.

(For bill see H. J. of February 16, 1950, ante.)

Said amendment to said bill as proposed and adopted by the Senate is as follows, viz:

Strike from lines 25 and 26 of Subsection (a) of Section (2) on page 2 of the printed bill, the following:

“selected by the College of Engineering, University of Kentucky,” and inserting in lieu thereof the following:

“selected by the Department of Highways for the Commonwealth of Kentucky,”

Mr. Hanratty moved that the House do now concur in said amendment to said bill as proposed and adopted by the Senate.

Said motion was agreed to.

Said amendment to said bill as proposed and adopted by the Senate was agreed to.

Said bill was then passed as amended.

The yeas and nays being taken thereon in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Paul E. Hayes	Walter R. Moorman
Sidney Baer	John A. Head	Fred H. Morgan
Clarence J. Barnum	William K. Henry	C. S. Nabb
C. E. Baumgardner	E. R. Hilton	Dr. C. E. Palmore
Leonard T. Bean	Ray Holbrook	James H. Polsgrove
Fred Beshear	W. W. Hollan	W. R. Reasor
R. O. Blevins	W. M. Horn	Carl J. Ruh
L. E. Bradley	Richard R. Houpt	Amos Runyan
Mrs. M. E. Burnett	Durham W. Howard	Paul E. Shannon
Charles W. Burnley	Maurice G. Howard	Jesse H. Shelton
Alex Calvert	Silas Jacobs	Forest Smith
Stanley Carter	Paul S. Jonas	John M. Spaulding
R. Josh Cosby	Barkley Jones	Roy Steers
Owen Deering	William Jones	Mrs. Thelma Stovall
G. I. Drury	Mrs. J. T. Linton	W. R. Stringer
Thomas R. Duncan	A. L. (Chick) Love	M. G. Thompson
Mitchell S. Fannin	Harry L. Lowman	Rev. T. H. Tinsley
Henry C. Hale	True Mackey	Ralph N. Walter
James P. Hanratty	John Martin	Fred M. Warns
George F. Harris	Jack McPherron	Geo. F. Williamson

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Those who voted in the negative were—

C. A. Hammons	Archie R. Moore	Roy Searcy
Harold G. Helm	Emmett G. Moore	J. Claude Stacy
Homer E. Losey	Leonard W. Preston	Harry Lee Waterfield
Alton Mitchell		

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Ordered that said bill be delivered to the Enrolling Clerk of this House.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 281. AN ACT relating to income taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. Section 141.120 of the Kentucky Revised Statutes is amended to read as follows:

Allocation of corporate income. (1) Interest, dividends, rent and royalties not received in connection with the transaction of the business of a corporation, and gains from the sale of property not held, owned or used in connection with its business, less any related expenses, shall be allocated to this state if received from sources within this state. If received from sources outside this state, such income shall be allocated outside this state. The balance of corporate income, hereinafter referred to as business income, shall be allocated to this state and shall be taxable as hereunder set forth. Gains or losses by domestic corporations from the sale of securities issued by foreign governments or by corporations organized under the laws thereof shall be allocated to this state.

(2) If the trade or business of the corporation is carried on entirely within this state, the tax shall be imposed on the entire business income. If the trade or business is carried on partly within and partly without this state—separate accounting shall be deemed impracticable and prohibited unless the taxpayer shows the department prior to filing that the actual amount of net income received from business in Kentucky is determinable by separate accounting—the tax shall be imposed only on the portion of the business income reasonable attributable to the trade or business within this state, to be determined as follows:

- (a) Interest, dividends, rents and royalties, less related expenses, received in connection with business in this state shall be allocated to this state, and that received in connection with business outside of this state shall be allocated outside of this state.
- (b) Gains, that may be included in gross income under subsection (5) of KRS 141.010 and subsection (1) of KRS 141.100, from the sale of capital assets or property held, owned or used in connection with the trade or business of a corporation but not for sale in the regular course of business, shall be allocated to this state if the property sold is real or tangible personal property situated in this

state or intangible property connected with the business in this state.

(3) Net income of the classes covered in paragraphs (a) and (b) of subsection (2) of this section having been separately allocated and deducted as provided, the remainder of the net business income of a corporation carrying on business partly within and partly without this state shall be allocated and apportioned as follows:

- (a) Where income is derived from business other than the manufacture and sale of tangible personal property or the conduct of a public utility, the income shall be specifically allocated or equitably apportioned within and without this state under rules and regulations of the Department of Revenue.
- (b) Where income is derived from the manufacture or sale of tangible personal property, the portion thereof attributable to business within this state shall be taken to be such percentage of the total of such income as the value of the tangible property, the payroll and business within this state bears to the value of the total tangible property, total payroll, and total business, the percentage of tangible property, of payroll, and of business, being separately determined as hereinafter provided, and the three percentages averaged.
- (c) Total payroll as used in this section includes the expenditures of the corporation for wages, salaries, commissions, or other compensation to its employees, and all the payroll shall be assigned to this Commonwealth which is paid to employees chiefly situated at connected with or sent out from premises in this Commonwealth that are used by the corporation in connection with the transacting of business.
- (d) The value of the tangible property shall be taken to be the average value of the tangible property owned by the corporation in connection with such business during the year for which the income is returned, excluding any property the income of which is not taxable or separately allocated under the foregoing provisions of this chapter.

- (e) The business of the corporation shall be measured by the amount of all receipts during the year from sales and other sources connected with the business, excluding receipts from the sale of capital assets and property not sold in the regular course of business and receipts from interest, dividends, rents and royalties separately allocated as above provided. Accounts receivable from sales and other sources arising from business during the year shall be included in the formula if the corporation's return is made on the accrual basis.
- (f) Receipts from sales and other sources shall be assigned only to the office, agency or place of business of the corporation at which the transactions giving rise to the receipts are chiefly negotiated.

(4) If a corporation does not have all of the factors present in its total business operations, an average of the factors present shall be used in determining the percentage of the business done in Kentucky.

(5) For the purpose of this section "sale" shall include exchange, and "manufacture" shall include the extraction and recovery of natural resources and all processes of fabricating and curing.

(6) Where business income is derived from the conduct of a public utility, the portion thereof attributable to business within this state shall be taken to be such percentage of the total of such income as the value of the tangible property, the payroll, and business within this state bears to the value of the total tangible property, total payroll and total business, the percentage of tangible property and of business being separately determined as hereinafter provided and the percentage of payroll being determined as provided in subsection (c) of Section 3 herein and the three percentages averaged.

- (a) For the purpose of the foregoing computation, the value of the tangible property shall be taken to be the average value of the tangible property held and owned by the corporation in connection with such business during the year for which the income is returned, excluding any property the income of which is not taxable or is sep-

arately allocated under the foregoing provisions of this chapter.

- (b) In determining the tangible property located within this state of a railroad company operating both within and without this state, the valuation of car rolling stock and equipment and locomotive rolling stock and equipment within this state shall be found by applying to the total valuation of the entire rolling stock and equipment of each respective class belonging to the company that proportion which the car mileage within this state during the income year bears to the total car mileage of the company's cars, and which the locomotive mileage within this state during the income years bears to the total locomotive mileage of the company's locomotives, used in the conduct of its business both within and without this state for that year.
- (c) The business of the public utility shall be measured by the amount of receipts from the carrying on of the business. Receipts in this state shall include, in addition to all receipts from business commencing and terminating within this state, such portion of receipts from all interstate business passing through or into or out of this state as is determined by applying to gross receipts from all business of transportation and communication enterprises that percentage which the mileage within this state over which such business was carried bears to the entire mileage over which it was carried. Accounts receivable from services rendered and other sources arising from business during the year shall be included in the formula if the corporation's return is made on the accrual basis.
- (d) The department shall prescribe methods of allocating receipts of other utilities.
- (e) If the public utility keeps its records of operating revenues and operating expenses on a state basis in accordance with the standard classification of accounts prescribed by the Federal Communication Commission or the Interstate Commerce Commission, and in a manner to include in net income for this state the effect of all

intrastate and interstate business applicable to this state, those records may be used by the taxpayer in reporting the net taxable income within this state.

(7) In the event that the formula for allocating income prescribed herein as applied in a particular case, reaches an unconstitutional result, or the department determines that said formula as applied in a particular case fails to allocate to Kentucky a fair and reasonable portion of the business income, the department shall prescribe a formula which allocates to Kentucky a fair and reasonable portion of the business income.

SECTION 2. This Act shall be effective for taxable years commencing on or after January 1, 1950.

Mr. Hayes offered the following amendments to said bill, viz:

Amendment No. 1 Amend printed copy of H. B. No. 281, on page 1, section 1, line 3, by striking the word "rent" and substituting in lieu thereof the word "rents."

Amendment No. 2. Amend printed copy of H. B. No. 281, on page 2, section 1, line 24, by striking the word "reasonable" and substituting in lieu thereof the word "reasonably."

Amendment No. 3. Amend printed copy of H. B. No. 281, on page 4, section 1, lines 68 through 70, by striking lines 68 through 78 in their entirety and substitute in lieu thereof the following:

"chiefly situated at, connected with, or sent out from premises in this Commonwealth that are used by the corporation in connection with the"

Amendment No. 4. Amend printed copy of H. B. No. 281, on page 4, section 1, line 78, by striking "cated" and substituting in lieu thereof "cable."

Amendment No. 5. Amend printed copy of H. B. No. 281, on page 4, section 1, line 84, by striking the word "of."

Amendment No. 6. Amend printed copy of H. B. No. 281, on page 5, section 1, line 121, by striking the word "allocated" and substituting in lieu thereof the word "allocable."

Amendment No. 7. Amend printed copy of H. B. No. 281, on page 6, section 1, line 135, by striking the word "years" and substituting in lieu thereof the word "year."

Said amendments to said bill were each and severally agreed to.

Mr. Hayes moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Fred Beshear	Alex Calvert
Edgar Arnett	Edward O. Bridgers	Stanley Carter
C. E. Baumgardner	J. D. Buckman, Jr.	Paul Combs
Leonard T. Bean	Charles W. Burnley	R. Josh Cosby

Owen Deering	Barkley Jones	Roy Searcy
Thomas R. Duncan	William Jones	Paul E. Shannon
James P. Hanratty	Mrs. J. T. Linton	James S. Shaw
George F. Harris	A. L. (Chick) Love	Gus Sheehan, Jr.
Paul E. Hayes	True Mackey	Jesse H. Shelton
John A. Head	John Martin	Forest Smith
Harold G. Helm	G. Lee McClain	Joseph T. Snapp
William K. Henry	Walter R. Moorman	John M. Spaulding
Ray Holbrook	Fred H. Morgan	Raymond D. Stigall
W. W. Hollan	C. S. Nabb	W. R. Stringer
W. M. Horn	Dr. C. E. Palmore	Rev. T. H. Tinsley
Durham W. Howard	W. R. Reasor	Ralph N. Walter
Maurice G. Howard	Carl J. Ruh	Fred M. Warns
Robert N. Hubbard	Amos Runyan	George F. Williamson
Silas Jacobs	Dr. Roy Sanders	Charles W. Wirsch
Paul S. Jonas		—58

Those who voted in the negative were—

John D. Beatty	Jack McPherron	Roy Steers
C. A. Hammons	Leonard W. Preston	—5

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

A message was received from the Senate announcing that they had passed a bill which originated in this body of the following title, viz:

H. B. No. 221. AN ACT regulating the lights on vehicles; and defining words and phrases as used in Chapter 189 of the Kentucky Revised Statutes.

With an amendment thereto as proposed and adopted by the Senate.

(For bill see House Journal of February 27, 1950, ante.)

Said amendment to said bill as proposed and adopted by the Senate is as follows, viz:

Amend H. B. No. 221 on page 4, after line 10, the following:

(2) Provided, however, that the regulations in reference

to lights shall not apply to common carrier motor vehicles whose equipment is regulated by the rules of the Interstate Commerce Commission.

Mr. Hanratty moved that the House do now concur in said amendment to said bill as proposed and adopted by the Senate.

Said motion was agreed to.

And thereupon said amendment to said bill as proposed and adopted by the Senate was agreed to.

Said bill was then passed as amended.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	William K. Henry	W. R. Reasor
Edgar Arnett	Ray Holbrook	Carl J. Ruh
Clarence J. Barnum	W. W. Hollan	Amos Runyan
C. E. Baumgardner	W. M. Horn	Dr. Roy Sanders
Leonard T. Bean	Silas Jacobs	Roy Searcy
R. O. Blevins	Barkley Jones	Paul E. Shannon
L. E. Bradley	William Jones	Gus Sheehan, Jr.
Edward O. Bridgers	Mrs. J. T. Linton	Forest Smith
Charles W. Burnley	A. L. (Chick) Love	Joseph T. Snapp
Alex Calvert	Harry K. Lowman	John M. Spaulding
Stanley Carter	True Mackey	Roy Steers
Owen Deering	John Martin	Mrs. Thelma Stovall
Thomas R. Duncan	G. Lee McClain	W. R. Stringer
Henry C. Hale	Jack McPherron	M. G. Thompson
James P. Hanratty	Archie R. Moore	Rev. T. H. Tinsley
George F. Harris	Fred H. Morgan	Ralph N. Walter
Paul E. Hayes	C. S. Nabb	Fred M. Warns
John A. Head	Dr. C. E. Palmore	Harry Lee Waterfield
Harold G. Helm	Leonard W. Preston	George F. Williamson

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Voting in the negative was—

Chester A. Hammons

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Ordered that said bill be delivered to the Enrolling Clerk of this House.

The Speaker vacated the chair and designated Mrs. Stovall as Speaker pro tem.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 302. AN ACT relating to teachers' retirement allowances, increasing the minimum allowance and appropriating the necessary sums for that purpose.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Subsection (3) of Section 161.620 of the Kentucky Revised Statutes is amended to read as follows:

Effective July 1, 1950, and including living retired members and members who retire subsequently, no retirement allowance shall be less than one hundred dollars per year and not less than sixteen dollars per service credit year at the time of retirement, but such total minimum allowance shall not be more than four hundred and eighty dollars per year. Any retirement allowance which has been or will be computed to be less than this minimum shall be increased to said minimum.

Sec. 2. In order to carry out the purposes of Section 161.620 of the Kentucky Revised Statutes, as amended, there hereby is appropriated, out of the General Expenditure Fund in the State Treasury the sum of \$120,000 for the fiscal year 1950-1951 and the sum of \$130,000 for the fiscal year 1951-1952.

Sec. 3. This Act shall take effect on July 1, 1950.

Mr. Duncan moved the Previous Question.

Whereupon, the Speaker pro tem announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Ray Holbrook	C. S. Nabb
Edgar Arnett	W. W. Hollan	Dr. C. E. Palmore
Sidney Baer	W. M. Horn	Leonard W. Preston
Clarence J. Barnum	Richard R. Houpt	W. R. Reasor
C. E. Baumgardner	Durham W. Howard	Carl J. Ruh
Leonard T. Bean	Maurice G. Howard	Amos Runyan
John D. Beatty	Robert N. Hubbard	Dr. Roy Sanders
Fred Beshear	Silas Jacobs	Roy Searcy
Edward O. Bridgers	Paul S. Jonas	Paul E. Shannon
J. D. Buckman, Jr.	Barkley Jones	James S. Shaw
Charles W. Burnley	William Jones	Gus Sheehan, Jr.
Alex Calvert	James W. Lambert	Jesse H. Shelton
Stanley Carter	Jesse H. Lawrence	Forest Smith
Paul Combs	Mrs. J. T. Linton	Joseph T. Snapp
R. Josh Cosby	Homer E. Losey	John M. Spaulding
G. I. Drury	A. L. (Chick) Love	J. Claude Stacy
Thomas R. Duncan	Harry K. Lowman	Roy Steers
Mitchell S. Fannin	True Mackey	Raymond D. Stigall
Henry C. Hale	John Martin	Mrs. Thelma Stovall
C. A. Hammons	G. Lee McClain	W. R. Stringer
James P. Hanratty	Jack McPherron	M. G. Thompson
George F. Harris	Alton Mitchell	Rev. T. H. Tinsley
Paul E. Hayes	Archie R. Moore	Ralph N. Walter
John A. Head	Emmett G. Moore	Fred M. Warns
Harold G. Helm	Walter R. Moorman	Harry Lee Waterfield
William K. Henry	Fred H. Morgan	George F. Williamson
E. R. Hilton		

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mrs. Stovall, Speaker pro tem, vacated the Chair, and the Speaker resumed the Chair and presided.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 227. AN ACT to amend KRS Sections 58.010, 58.020, 58.040 and 58.130 and relating to public projects and governmental agencies and their definitions and to their acquisition by, and to public project revenue bonds issuable by, governmental units, agencies and instrumentalities, with approval before such acquisition, and before issuance, and to funds usable for acquisition of projects and payment of bonds and to the investing in such bonds by banks and trust companies, insurance companies and building and loan associations and credit unions without statutory maximum.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. KRS 58.010 is amended to read as follows:

As used in KRS 58.010 to 58.140, unless the context requires otherwise:

(1) "Public project" means any lands, buildings or structures, works or facilities suitable for and intended for use as public property for public purposes or suitable for and intended for use in the promotion of the public health, public welfare or the conservation of natural resources, including the planning of any such lands, buildings, structures, works or facilities, and shall also include existing lands, buildings, structures, works and facilities,

as well as improvements or additions to any such lands, buildings, structures, works or facilities. Among structures and sites that are for public welfare and are public projects, as the latter two items are used herein, are factories, mills, processing or assembly plants, and warehouses or elevators, since their operation furnishes employment and promotes progress and prosperity.

(2) "Governmental agency" means the Commonwealth of Kentucky as such acting by or through any department, instrumentality or agency thereof, or any county, city, agency or instrumentality or other political subdivision of the Commonwealth, or agency, or instrumentality thereof; included in "instrumentality" is an appropriately formed and used Kentucky no-profit corporation.

Sec. 2. KRS 58.020 is amended to read as follows:

A governmental agency acting separately or jointly with one or more of any such agency, may acquire, construct, maintain, add to and improve any public project as defined in KRS 58.010, which public project may be located within or without or partly within and partly without the territorial limits of such governmental agency or agencies and for the purpose of defraying the cost thereof may borrow money and issue negotiable revenue bonds. Before any department or agency of the state government, other than the State Property and Buildings Commission, shall borrow money and issue bonds under KRS 58.010 to 58.140, the head of the department or agency shall file with the Secretary of State a written order, approved by a board consisting of the Governor, the Lieutenant Governor, the Attorney General, the Commissioner of Revenue and Commissioner of Finance, or a majority of them, or approved by the State Property and Buildings Commission when required by law, setting forth the proposed public project, the amount of the bonds to be issued, and the maximum rate of interest the bonds are to bear. Any governmental agency other than agencies of the state government may borrow money and issue revenue bonds under KRS 58.010 to 58.140 pursuant to an order, resolution or ordinance of its legislative or administrative body, which order, resolution or ordinance shall set forth the proposed public project, the amount of the revenue bonds to be issued and the maximum rate of

interest. In every instance the order, resolution or ordinance shall provide that the public project is being undertaken under the provision of KRS 58.010 to 58.140.

Sec. 3. KRS 58.040 is amended to read as follows:

Bonds issued pursuant to KRS 58.010 to 58.140 shall be negotiable. Neither the bonds nor their income shall be subject to taxation. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in such manner and upon such terms as the governmental agency deems best, or any contract for the acquisition of a public project may provide that payment shall be made in such bonds. In no event shall any bonds be negotiated on a basis to yield more than six percent, except as provided in subsection (2) of KRS 58.030. The bonds shall be payable solely from the revenue derived from the public project and shall not constitute an indebtedness of the state, county, city or political subdivision within the meaning of the Constitution. It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 58.010 to 58.140 and that it does not constitute an indebtedness of the governmental agency within the meaning of the Constitution. In such bonds, banks and trust companies, insurance companies, building and loan associations, and credit unions, that are subject to the laws of this state, may invest their funds eligible for investment, and to such investments no statutory maximum shall apply.

Sec. 4. KRS 58.130 is amended to read as follows:

Any governmental agency may use, for the purpose of acquiring, constructing, maintaining, extending or improving a public project, or for the payment of interest or principal on any revenue bonds issued by the agency pursuant to KRS 58.010 to 58.140, any funds or tax revenues available for general purposes of the agency and not required by law to be devoted to some other purpose. This section does not apply to factories or mills or process-

ing or assembly plants, or warehouses or elevators, that are not public utilities, nor may they be acquired by condemnation.

Mr. Tinsley moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and rejected.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Sidney Baer	Thomas R. Duncan	W. R. Reasor
Clarence J. Barnum	Mitchell S. Fannin	Carl J. Ruh
C. E. Baumgardner	Paul E. Hayes	Roy Searcy
Leonard T. Bean	William K. Henry	Gus Sheehan, Jr.
Fred Beshear	Ray Holbrook	Jesse H. Shelton
L. E. Bradley	W. W. Hollan	Joseph T. Snapp
Edward O. Bridgers	Silas Jacobs	John M. Spaulding
J. D. Buckman, Jr.	James W. Lambert	Raymond D. Stigall
Charles W. Burnley	Jesse H. Lawrence	Mrs. Thelma Stovall
Paul Combs	Mrs. J. T. Linton	Rev. T. H. Tinsley
R. Josh Cosby	True Mackey	Ralph N. Walter
Owen Deering	James H. Polsgrove	George F. Williamson
G. I. Drury		

Those who voted in the negative were—

Stanley Carter	Homer E. Losey	Leonard W. Preston
George F. Harris	A. L. (Chick) Love	Amos Runyan
Harold G. Helm	John Martin	Dr. Roy Sanders
W. M. Horn	G. Lee McClain	LeRoy Saylor
Durham W. Howard	Jack McPherron	James S. Shaw
Maurice G. Howard	Alton Mitchell	Forest Smith
Robert N. Hubbard	Emmett G. Moore	J. Claude Stacy
Barkley Jones	Fred H. Morgan	Roy Steers
William Jones	Dr. C. E. Palmore	Harry Lee Waterfield

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And so said bill was rejected, having failed to receive the necessary majority.

A message was received from the Senate announcing that they had passed a bill which originated in that body of the following title, viz:

H. B. No. 448. AN ACT relating to persons performing public services or duties; including provisions concerning the compensation and expenses of public officers and employes, and of other persons performing certain public services or duties, provisions for limiting the number of deputies or assistants of certain public officers; and making appropriations.

With amendments thereto as proposed and adopted by the Senate.

(For bill see House Journal of March 8, 1950, ante.)

Said amendments to said bill as proposed and adopted by the Senate are as follows, viz:

Amendment No. 1. By inserting the phrase “payable out of the State Treasury,” at the following points:

Page 11, Section 22, line 6, immediately preceding the word “with”;

Page 11, Section 22, line 27, immediately preceding the word “for”;

Page 12, Section 23, line 1, immediately preceding the word “of.”

Amendment No. 2. Strike all of lines 45 through 49 of Section 22 on page 12 and insert in lieu thereof the following:

“(d) Heads of statutory departments other than those names in paragraphs (a), (b) and (c) of this subsection, \$5,000.”

Amendment No. 3. By substituting a comma for the period at the end of line 9 of Section 23 on page 13, and inserting at that point the following additional words:

“and except that this section shall not preclude the allowance of maintenance to officers and employes of state mental institutions and tuberculosis sanatoria.”

Mr. Hanratty moved that the House do now concur in said amendments to said bill as proposed and adopted by the Senate.

Said motion was agreed to.

And, thereupon, said amendments to said bill as proposed and adopted by the Senate were each and severally concurred in.

Said bill was then passed as amended.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Paul Combs	Robert N. Hubbard
Edgar Arnett	R. Josh Cosby	Paul S. Jonas
Sidney Baer	Owen Deering	James W. Lambert
Clarence J. Barnum	G. I. Drury	Mrs. J. T. Linton
C. E. Baumgardner	Thomas R. Duncan	Harry K. Lowman
Leonard T. Bean	Mitchell S. Fannin	True Mackey
John D. Beatty	C. A. Hammons	John Martin
Fred Beshear	James P. Hanratty	G. Lee McClain
L. E. Bradley	George F. Harris	Emmett G. Moore
Edward O. Bridgers	Paul E. Hayes	Walter R. Moorman
J. D. Buckman, Jr.	William K. Henry	C. S. Nabb
Charles W. Burnley	W. W. Hollan	James H. Polsgrove
Alex Calvert	W. M. Horn	W. R. Reasor
Stanley Carter	Richard R. Houpt	Carl J. Ruh

Amos Runyan	Jesse H. Shelton	W. R. Stringer
Dr. Roy Sanders	Forest Smith	Rev. T. H. Tinsley
LeRoy Saylor	Joseph T. Snapp	Ralph N. Walter
Roy Searcy	John M. Spaulding	Fred M. Warns
Paul E. Shannon	Raymond D. Stigall	George F. Williamson
Gus Sheehan, Jr.	Mrs. Thelma Stovall	—59

Those who voted in the negative were—

Harold G. Helm	A. L. (Chick) Love	Leonard W. Preston
Maurice G. Howard	Jack McPherron	Roy Steers
Barkley Jones	Dr. C. E. Palmore	Harry Lee Waterfield
		—9

Ordered that said bill be delivered to the Enrolling Clerk of this House.

At the instance of the Committee on Rules the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 39. A JOINT RESOLUTION providing for the purchase and distribution of copies of the Kentucky Directory, 1950 Edition.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the State Librarian shall purchase copies of the "Kentucky Directory 1950," in the same quantity, for the same price, and under the same terms and conditions, and distribute the copies in the same manner and to the same persons and places, as provided in Chapter 269 of the Acts of 1948 for the 1948 Kentucky Directory. Payment therefor shall be made out of the sum appropriated for that purpose for the 1950-1951 fiscal year.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Harold G. Helm	Leonard W. Preston
Edgar Arnett	William K. Henry	W. R. Reasor
Sidney Baer	E. R. Hilton	Carl J. Ruh
Clarence J. Barnum	Woodrow W. Hollan	Amos Runyan
C. E. Baumgardner	Richard R. Houpt	Dr. Roy Sanders
Leonard T. Bean	Silas Jacobs	LeRoy Saylor
Fred Beshear	Paul S. Jonas	Roy Searcy
L. E. Bradley	Barkley Jones	Paul E. Shannon
Edward O. Bridgers	William Jones	Gus Sheehan, Jr.
J. D. Buckman, Jr.	Mrs. J. T. Linton	Jesse H. Shelton
Charles W. Burnley	A. L. (Chick) Love	Forest Smith
Alex Calvert	Harry K. Lowman	Joseph T. Snapp
Stanley Carter	True Mackey	John M. Spaulding
Paul Combs	G. Lee McClain	J. Claude Stacy
R. Josh Cosby	Jack McPherron	Roy Steers
G. I. Drury	Alton Mitchell	Raymond D. Stigall
C. A. Hammons	Emmett G. Moore	Mrs. Thelma Stovall
James P. Hanratty	Walter R. Moorman	Rev. T. H. Tinsley
George F. Harris	Fred H. Morgan	Ralph N. Walter
Paul E. Hughes	C. S. Nabb	Fred M. Warns
John A. Head	Dr. C. E. Palmore	Harry Lee Waterfield

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the rules be suspended and the House do now take up for consideration from the Clerk's desk a resolution of the following title, viz:

S. Res. No. 66. A RESOLUTION relating to World Federation.

Which was reported from the Senate on today.

(For resolution see H. J. of today, ante.)

Said motion was agreed to by a majority of the members elected.

Mr. Hanratty moved that the House do now concur in said resolution.

Said motion was agreed to.

And thereupon said resolution was adopted.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 45. A JOINT RESOLUTION granting to W. J. Curtis the right of sepulture in Blue Licks Battlefield State Park, with provisions for a suitable plaque to mark his grave.

Said resolution is as follows, viz:

WHEREAS, W. J. Curtis, of Robertson County, Kentucky, as a member of the 1926 General Assembly, introduced and was

instrumental in the passage of a Resolution providing for the establishment of a state park at Blue Licks Battlefield, with a suitable and permanent monument; and

WHEREAS, the said W. J. Curtis, as a member of the 1934 General Assembly, sponsored and secured passage of an Act appropriating funds for the improvement and development of the Blue Licks Battlefield State Park; and

WHEREAS, the said W. J. Curtis deserves enduring public recognition and honor for his untiring efforts on behalf of the establishment and development of said park;

NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That W. J. Curtis, of Robertson County, Kentucky, be and he hereby is granted the right of sepulture in Blue Licks Battlefield State Park, permitting his body to be buried at or near the monument to the memory of the soldiers who fell in the Battle of Blue Licks, and permitting the erection of an appropriate plaque to mark his grave.

Mr. Hanratty moved that the House do now adopt said resolution.

Said motion was agreed to.

And thereupon said resolution was adopted.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 427. AN ACT relating to prosecuting attorney pro tem in cities of the first class; vacation for prosecuting attorney.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 69.440 of the Kentucky Revised Statutes is hereby repealed and re-enacted and as so re-enacted shall read:

The prosecuting attorney may appoint a protem prosecuting attorney to serve whenever the prosecuting attorney or assistant prosecuting attorney is unable to serve or whenever it is deemed necessary to expedite the business of the Court. If the prosecuting attorney fails to appoint a protem prosecuting attorney the judge shall appoint one to serve as protem prosecuting attorney.

The person so appointed shall take the oath of office prescribed for the regular prosecuting attorney, and for his services the protem prosecuting attorney shall receive such salary as the prosecuting attorney may summarily decide to be fair and reasonable; but the compensation allowed the protem prosecuting attorney shall not be estimated at a greater rate than that allowed the regular prosecuting attorney.

The prosecuting attorney may have sixty (60) days vacation each calendar year and no deduction shall be made from his salary for said vacation.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	C. S. Nabb
Edgar Arnett	Harold G. Helm	Fred H. Morgan
Sidney Baer	William K. Henry	Dr. C. E. Palmore
Clarence J. Barnum	Woodrow W. Hollan	James H. Polsgrove
C. E. Baumgardner	W. M. Horn	W. R. Reasor
Leonard T. Bean	Robert N. Hubbard	Carl J. Ruh
Fred Beshear	Silas Jacobs	Dr. Roy Sanders
L. E. Bradley	Paul S. Jonas	LeRoy Saylor
Edward O. Bridgers	Barkley Jones	Roy Searcy
J. D. Buckman, Jr.	William Jones	Gus Sheehan, Jr.
Charles W. Burnley	Jesse H. Lawrence	Jesse H. Shelton
Alex Calvert	Mrs. J. T. Linton	Forest Smith
Stanley Carter	Homer E. Losey	John M. Spaulding
Paul Combs	A. L. (Chick) Love	Roy Steers
R. Josh Cosby	Harry K. Lowman	Raymond D. Stigall
Thomas R. Duncan	True Mackey	Mrs. Thelma Stovall
C. A. Hammons	Jack McPherron	Rev. T. H. Tinsley
James P. Hanratty	Emmett G. Moore	Ralph N. Walter
George F. Harris	Walter R. Moorman	Fred M. Warns

—57

There voted in the negative—

Maurice G. Howard

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took

up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 431. AN ACT concerning the issuance of bonds for the benefit of Municipal Universities and the requirements thereof.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The statute concerning the issuance of bonds for the benefit of Municipal Universities and the requirements thereof, as set out in KRS 165.080, is hereby repealed and re-enacted and as so enacted shall read:

The board of aldermen of any city of the first class may adopt an ordinance submitting to the voters of the city at any regular election held in the city the question of whether or not bonds of the city shall be issued for the benefit of the municipal university. Authorization of the bond issue and submission of the question to the voters may be by one ordinance and at one election covering the entire amount of the bonds or it may be by different ordinances authorizing different elections at different times for parts of the total amount. The ordinance shall provide the date and maturity of the bonds, the rate of interest they shall bear and the total amount to be then issued, and shall contain the necessary details with reference to the execution and delivery of the bonds, their denominations, coupons to be attached, and taxes to be levied to pay interest and to create a sinking fund to retire the bonds at maturity. A failure of the voters at one election to authorize a bond issue shall not prevent submission of the question of issuing bonds at subsequent elections.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	Fred H. Morgan
Edgar Arnett	Harold G. Helm	C. S. Nabb
Sidney Baer	William K. Henry	Dr. C. E. Palmore
Clarence J. Barnum	Woodrow W. Hollan	James H. Polsgrove
C. E. Baumgardner	W. M. Horn	W. R. Reasor
Leonard T. Bean	Robert N. Hubbard	Carl J. Ruh
Fred Beshear	Silas Jacobs	Dr. Roy Sanders
L. E. Bradley	Paul S. Jonas	LeRoy Saylor
Edward O. Bridgers	Barkley Jones	Roy Searcy
J. D. Buckman, Jr.	William Jones	Gus Sheehan, Jr.
Charles W. Burnley	Jesse H. Lawrence	Jesse H. Shelton
Alex Calvert	Mrs. J. T. Linton	Forest Smith
Stanley Carter	Homer E. Losey	John M. Spaulding
Paul Combs	A. L. (Chick) Love	Roy Steers
R. Josh Cosby	Harry K. Lowman	Raymond D. Stigall
Thomas R. Duncan	True Mackey	Mrs. Thelma Stovall
C. A. Hammons	Jack McPherron	Rev. T. H. Tinsley
James P. Hanratty	Emmett G. Moore	Ralph N. Walter
George F. Harris	Walter R. Moorman	Fred M. Warns

—57

There voted in the negative—

Maurice G. Howard

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 254. AN ACT to provide that utility companies serving counties containing cities of the first class shall furnish to the County Tax Commissioner the names and addresses of their customers, including changes thereof.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Each gas, water, electric light and telephone company operating in a county containing a city of the first class shall furnish to the County Tax Commissioner a list showing the names and addresses of all persons, firms, or corporations receiving service from such utilities, and thereafter on every Monday, said utility companies shall furnish to said Tax Commissioner a report containing the names of all persons, firms, or corporations who have, during the week immediately preceding, ordered gas, water, electric light or telephone service to be installed, removed or discontinued, with the address at which the services were ordered to be installed, removed or discontinued. Such information shall be treated as confidential and shall be used by said Tax Commissioner only for the purpose of making accurate records; provided, however, that said Tax Commissioner shall permit the City Assessor of said city of the first class and any other taxing bodies of the various government to examine said records for official purposes only, and said units of government shall treat said information as confidential.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	Fred H. Morgan
Edgar Arnett	Harold G. Helm	C. S. Nabb
Sidney Baer	William K. Henry	Dr. C. E. Palmore
Clarence J. Barnum	Woodrow W. Hollan	James H. Polsgrove
C. E. Baumgardner	W. M. Horn	W. R. Reasor
Leonard T. Bean	Robert N. Hubbard	Carl J. Ruh
Fred Beshear	Silas Jacobs	Dr. Roy Sanders
L. E. Bradley	Paul S. Jonas	LeRoy Saylor
Edward O. Bridgers	Barkley Jones	Roy Searcy
J. D. Buckman, Jr.	William Jones	Gus Sheehan, Jr.
Charles W. Burnley	Jesse H. Lawrence	Jesse H. Shelton
Alex Calvert	Mrs. J. T. Linton	Forest Smith
Stanley Carter	Homer E. Losey	John M. Spaulding
Paul Combs	A. L. (Chick) Love	Roy Steers
R. Josh Cosby	Harry K. Lowman	Raymond D. Stigall
Thomas R. Duncan	True Mackey	Mrs. Thelma Stovall
C. A. Hammons	Jack McPherron	Rev. T. H. Tinsley
James P. Hanratty	Emmett G. Moore	Ralph N. Walter
George F. Harris	Walter R. Moorman	Fred M. Warns

There voted in the negative—

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 259. AN ACT amending and reenacting K.R.S. 100.096 relating to zoning and planning in cities of the first class and counties containing such cities.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That K.R.S. 100.096 be and the same hereby is amended and reenacted to read as follows:

100.096. SEPARATE ACTION BY COUNTY OR CITY IN CASE OF WITHDRAWAL FROM JOINT AGREEMENT. If, at any time after such county and such city execute an agreement to create and establish such commission and such board, as provided for in K.R.S. 100.031, either such city, through or by action of its legislative body, or such county, through or by action of its fiscal court, withdraws from and cancels such agreement, then and in that event in order to carry out the purposes of K.R.S. 100.031 to 100.097:

(1) The fiscal court of such county is hereby authorized and empowered, by appropriate order or orders, (a) to create for the purposes set forth in K.R.S. 100.031 to 100.097 as they relate to the unincorporated area of such county, a county planning and zoning commission and a county board of adjustment and ap-

peals, or a county department of planning and zoning and a county board of adjustment and appeals, or a county department of zoning, a county planning commission and a county board of adjustment and appeals, the functions, powers and duties of which shall be as nearly as possible comparable to and with functions, powers and duties of the commission, board or department herein provided for; and (b) to provide for the personnel and staff of such county commission, board or department, including an enforcement officer, and the appointment, organization and financing thereof, and for appropriate rules, regulations and procedure.

(2) The legislative body of such city is hereby authorized and empowered, by appropriate ordinance or ordinances, (a) to create, for the purposes set forth in K.R.S. 100.031 to 100.097 as they relate to such city, a city planning and zoning commission and a city board of adjustment and appeals, or a city department of planning and zoning and a city board of adjustment and appeals, or a city department of zoning, a city planning commission and a city board of adjustment and appeals, the functions, powers and duties of which shall be as nearly as possible comparable to and with the functions, powers and duties of the commission, board or department herein provided for; and (b) to provide for the personnel and staff of such city commission, board or department, including an enforcement officer, and the appointment, organization and financing thereof, and for appropriate rules, regulations and procedure.

(3) Such city of the first class and the county in which such city is located, in addition to the powers granted in subsections (1) and (2) above, are hereby authorized and empowered, alternatively, to enter into an agreement to regulate the physical development of the incorporated and unincorporated areas under their respective jurisdictions by the establishment of a joint city and county planning commission, with the powers, duties and functions deemed appropriate and necessary thereto, and to establish, respectively, a department of zoning and a board of zoning adjustment and appeals as above provided for.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	Fred H. Morgan
Edgar Arnett	Harold G. Helm	C. S. Nabb
Sidney Baer	William K. Henry	Dr. C. E. Palmore
Clarence J. Barnum	Woodrow W. Hollan	James H. Polsgrove
C. E. Baumgardner	W. M. Horn	W. R. Reasor
Leonard T. Bean	Robert N. Hubbard	Carl J. Ruh
Fred Beshear	Silas Jacobs	Dr. Roy Sanders
L. E. Bradley	Paul S. Jonas	LeRoy Saylor
Edward O. Bridgers	Barkley Jones	Roy Searcy
J. D. Buckman, Jr.	William Jones	Gus Sheehan, Jr.
Charles W. Burnley	Jesse H. Lawrence	Jesse H. Shelton
Alex Calvert	Mrs. J. T. Linton	Forest Smith
Stanley Carter	Homer E. Losey	John M. Spaulding
Paul Combs	A. L. (Chick) Love	Roy Steers
R. Josh Cosby	Harry K. Lowman	Raymond D. Stigall
Thomas R. Duncan	True Mackey	Mrs. Thelma Stovall
C. A. Hammons	Jack McPherron	Rev. T. H. Tinsley
James P. Hanratty	Emmett G. Moore	Ralph N. Walter
George F. Harris	Walter R. Moorman	Fred M. Warns

—57

There voted in the negative—

Maurice G. Howard

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 437. AN ACT relating to county attorneys and assistant county attorneys in counties having a population of 250,000 or more, amending Sections 69.280, 69.290, 69.300 and 69.310, of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 69.280 of the Kentucky Revised Statutes is hereby amended and as amended reads:

In counties having a population of 250,000 or more the county attorney shall appoint a first and a second assistant county attorney and may appoint such additional assistant county attorneys as he deems necessary for the proper conduct of the duties of the office, subject to the approval of the fiscal court. The assistant county attorneys shall be appointed for terms of four years subject to removal at any time by the county attorney.

Section 2. Section 6.290 of the Kentucky Revised Statutes is hereby amended and as amended reads:

The annual salaries of the first and second assistant county attorneys in counties having a population of 250,000 or more shall continue as now fixed by law and the annual salaries of additional assistant county attorneys shall be as fixed by the county attorney as approved by the fiscal court. The salaries of all as-

sistant county attorneys shall be paid out of the county levy in equal semi-monthly installments, provided however, such salaries may be increased or decreased to the amounts fixed by the county attorney by written recommendation to the fiscal court of the county, which recommendation shall become effective upon its approval by resolution of the fiscal court.

Section 3. Section 69.300 of the Kentucky Revised Statutes is hereby amended and as amended reads:

The assistant county attorneys in counties having a population of 250,000 or more shall possess the qualifications of a county attorney and shall have the same powers and perform the same duties that county attorneys have and perform, except that they shall be under the direction and control of the county attorney.

Section 4. Section 69.310 of the Kentucky Revised Statutes is hereby amended and as amended reads:

In the absence of the county attorney in counties having a population of 250,000 or more, the first assistant shall act as county attorney, and in the absence of the county attorney and the first assistant, the second assistant shall act as county attorney. The assistants shall not receive additional compensation for acting as county attorney.

Section 5. It appearing that the duties of the county attorney in counties having a population of 250,000 or more, are increasing in number and complexity, that his present staff is inadequate in numbers to man the office properly, and that the public welfare demands augmentation in the number of his assistants, an emergency is hereby declared to exist and this act takes effect upon passage and approved by the Governor.

Section 6. If any section of this act or part thereof is declared unconstitutional by a court of last resort, such shall not affect the validity of the remaining sections hereof or parts thereof.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	Fred H. Morgan
Edgar Arnett	Harold G. Helm	C. S. Nabb
Sidney Baer	William K. Henry	Dr. C. E. Palmore
Clarence J. Barnum	Woodrow W. Hollan	James H. Polsgrove
C. E. Baumgardner	W. M. Horn	W. R. Reasor
Leonard T. Bean	Robert N. Hubbard	Carl J. Ruh
Fred Beshear	Silas Jacobs	Dr. Roy Sanders
L. E. Bradley	Paul S. Jonas	LeRoy Saylor
Edward O. Bridgers	Barkley Jones	Roy Searcy
J. D. Buckman, Jr.	William Jones	Gus Sheehan, Jr.
Charles W. Burnley	Jesse H. Lawrence	Jesse H. Shelton
Alex Calvert	Mrs. J. T. Linton	Forest Smith
Stanley Carter	Homer E. Losey	John M. Spaulding
Paul Combs	A. L. (Chick) Love	Roy Steers
R. Josh Cosby	Harry K. Lowman	Raymond D. Stigall
Thomas R. Duncan	True Mackey	Mrs. Thelma Stovall
C. A. Hammons	Jack McPherron	Rev. T. H. Tinsley
James P. Hanratty	Emmett G. Moore	Ralph N. Walter
George F. Harris	Walter R. Moorman	Fred M. Warns

—57

There voted in the negative—

Maurice G. Howard

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the rules be suspended for the purpose of introducing bills.

Said motion was agreed to by a majority of the members elected.

Thereupon, bills of the following titles were introduced, viz:

By Mr. Waterfield.

H. B. No. 477. AN ACT relating to the compensation of circuit court reporters, amending Section 28.460 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 28.460 of the Kentucky Revised Statutes is amended to read as follows:

(1) The fees of reporters of circuit courts, other than courts of continuous session and courts not of continuous session in counties containing a city of the second class, shall be ten dollars per day for taking shorthand notes and twenty cents per hundred words for the original transcript thereof.

(a) In criminal cases the fee shall be paid, upon the order of the presiding judge, by the county in which the court is situated, if the transcript is ordered for use of the Commonwealth's Attorney. If the transcript is ordered upon motion of

the defendant, he shall pay for it, if, in the opinion of the court, he is able to do so. If it appears that the defendant is not able to pay for the transcript, the court shall direct the same to be paid by the county.

(b) In civil cases the fee shall be paid forthwith by the party in whose behalf the report or transcript is ordered, and shall be taxed as part of the costs of the action. The reporter shall not be required to file a transcript in any civil case without payment therefor by the party in whose behalf it is ordered.

(2) For duplicate copies of transcripts reporters of circuit courts, other than courts of continuous session and courts not of continuous session in counties containing a city of the second class, shall be allowed one-half the amount they are allowed for the original, to be paid for in the same manner as the original.

(3) In circuit courts other than courts of continuous session and courts not of continuous session in counties containing a city of the second class, the circuit judge may elect to pay the reporter out of the county treasury a salary of not exceeding two thousand dollars per year. Each county in the circuit shall pay a prorata share of the salary computed on the basis of the number of days the court sits in each county. The annual salary shall be in lieu of all fees earned by the reporter, which fees shall be paid into the treasury of the county in which the court is sitting when the fees are earned.

By Messrs. Burnley and Morgan.

H. B. No. 478. AN ACT relating to the regulation of the business of electrical contracting in cities of the second class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Each city of the second class may, by ordinance, define and regulate the business of electrical contracting, may establish minimum professional qualifications for persons engaging in said

business, may provide for the examination and licensing of such persons, may establish a board of electrical examiners for such purpose and provide for the appointment and compensation of its members, and may prohibit any person from engaging in said business without having first obtained a license therefor.

By Mr. Sheehan.

H. B. No. 479. AN ACT relating to the making and maintaining of a roster of all public office holders.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The Secretary of State shall make and maintain for the use of the public generally, on a current basis, a complete roster of all persons occupying a public office, either elective or appointive, on either the state or local level.

It shall be the duty of the county court clerk of each county, on or before March 1 of each year, to certify to the Secretary of State a complete list of all persons occupying a public office in any governmental unit within the county. Furthermore, at any other time that there occurs a change in persons occupying a public office such change shall be immediately certified to the Secretary of State by the county court clerk.

Any person violating the duty imposed upon him by this Act shall be fined not less than fifty dollars nor more than one hundred dollars.

By Mr. Hubbard.

H. B. No. 480. AN ACT relating to the acquisition of property by bill of sale or by deed by the Commonwealth.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Where title to any property is conveyed to the Commonwealth of Kentucky by bill of sale or by deed the purchase price shall be set out in full on the face of the bill of sale or deed.

H. B. No. 481. AN ACT relating to aviation, amending section 183.772 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 183.772 of the Kentucky Revised Statutes is amended to read as follows:

There is hereby created in the State Treasury a special fund to be known as the "Kentucky Airport Development Fund." All moneys deposited or paid into this fund, including repayment of any loans made therefrom, are appropriated and shall be available to the department for the purposes of KRS 183.761 to 183.771. All moneys in such fund shall be expended solely for the development of airports in the state airport plan. No portion of this fund may be used for administrative purposes or for the purchase of aircraft in any year in which there has been an appropriation to the Department of Aeronautics for its general purposes. The fund shall consist of all money appropriated by the state and all money received from the United States or from any other source for the purpose of airport development. All moneys in the Kentucky Airport Development Fund shall be deposited, administered and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds in the State Treasury, except that any balance in this fund shall not lapse at any time but shall be continuously available to the department for the purposes of carrying out the provisions of KRS 183.761 to 183.771. A general statement that all continuing appropriations are repealed shall not be construed as abolishing this fund.

Ordered that said bill be printed and referred to the Committee on Rules.

Mr. Houpt arose to a point of personal privilege and announced that he was absent from the House Chamber when the vote was taken on the passage of bills of the following titles, viz:

H. B. No. 437. (For title and bill see H. J. of today, ante.)

H. B. No. 431. (For title and bill see H. J. of today, ante.)

H. B. No. 427. (For title and bill see H. J. of today, ante.)

H. B. No. 254. (For title and bill see H. J. of today, ante.)

H. B. No. 259. (For title and bill see H. J. of today, ante.)

And moved that the letter which he had filed with the Chief Clerk be spread at length upon the Journal.

Said motion was agreed to.

Said letter is as follows, viz:

March 10, 1950

Mr. Adron Doran
Speaker of House
Frankfort, Kentucky

Dear Sir:

As I was absent during the passage of the following bills, House Bills Nos. 437, 431, 427, 254 and 259, I would respectively suggest that you spread upon the Journal that if I had been present I would have voted "aye" on these bills.

Sincerely,
s/ Richard R. Houpt

Mr. Beatty moved that the rules be suspended for the purpose of offering a resolution.

Said motion was agreed to by a majority of the members elected.

Thereupon, Messrs. Beatty, Taylor, Deering, McClain, Bean, Martin, Creal, Montgomery, Buckman and McPherron offered the following resolution, viz:

H. Res. No. 76 A CONCURRENT RESOLUTION conveying to the School Teachers of Kentucky an expression of understanding of the motives and purposes which have prompted the school teachers to visit the sessions of the General Assembly and a statement of sincere appreciation of the problems which confront advancement of the educational program of the Commonwealth.

WHEREAS, many of the school teachers of Kentucky have from time to time during the present session of the General Assembly visited upon the House of Representatives and the Senate when in session, and

WHEREAS, the General Assembly recognizes that in so doing the teachers were prompted only by a sincere desire to advance the cause of education of the children of our Commonwealth, and that many of the teachers have been in attendance at substantial personal sacrifice; and

WHEREAS, the General Assembly shares with the school teachers a desire to determine in a scientific and orderly way the needs of education in Kentucky and to enter upon a planned, orderly program for advancement of education;

NOW THEREFORE

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

That the members of the General Assembly appreciate the motives and purposes which prompted many of the school teachers of Kentucky to visit upon the sessions of the Senate and the House of Representatives during recent weeks, and wish to express to the teachers that they have been welcome and their efforts on behalf of the cause of education have been received in the sincere spirit with which they were made.

That the General Assembly recognizes the needs of education in Kentucky, and joins with the school teachers in a desire to accurately define those needs, find suitable sources of revenue, and work out, upon the basis of a thorough and complete knowledge of the facts, a program of development and advancement of education in our Commonwealth.

Ordered that said bill be referred to the Committee on Rules.

Mr. Hanratty moved that the rules be suspended for the purpose of reading the Calendar.

Said motion was agreed to by a majority of the members elected.

Thereupon, the House took up for consideration from the Calendar bills and resolutions of the following titles, viz:

H. B. No. 466. AN ACT relating to taxes on legal actions, proceedings and appeals, including provisions for the disposition of the revenue derived therefrom.

S. B. No. 101. AN ACT relating to the packaging, sale or offering for sale of soap and soap products.

H. B. No. 32. AN ACT imposing an additional tax upon the sale or distribution by sale or gift of malt beverages, and providing for the appropriation and use of the revenue derived therefrom.

H. B. No. 48. AN ACT relating to procedure for the establishment of new schedule of rates by public utilities.

H. B. No. 464. AN ACT to amend Section 279.210 of the 1948 edition of the Kentucky Revised Statutes relating to jurisdiction of the Public Service Commission over rural electric co-operatives, assessments paid and application of other laws.

H. Res. No. 61. A JOINT RESOLUTION authorizing William Mudd to sue the Commonwealth of Kentucky and the Division of Game and Fish, or either.

H. B. No. 404. AN ACT relating to gambling devices, amending Section 436.230 of the Kentucky Revised Statutes.

H. B. No. 403. AN ACT relating to the open season for wild animals.

H. B. No. 467. AN ACT relating to animals; to be known as the Livestock and Dog Protective Law of 1950.

H. B. No. 288. AN ACT relating to the establishment and operation of a Northern Kentucky Utility District.

H. Res. No. 36. RESOLUTION authorizing V. H. McDaniel of Franklin County, Kentucky, to sue the Commonwealth of Kentucky.

H. B. No. 110. AN ACT imposing a tax on the production of coal, and appropriating the revenue therefrom.

S. B. No. 28. AN ACT to amend Section 738 of the Civil Code of Practice.

H. Res. No. 59. A JOINT RESOLUTION authorizing John Hatton, statutory guardian and father of John P. Hatton, an infant over fourteen years of age, to sue the Commonwealth of Kentucky and the Department of Highways.

S. B. No. 132. AN ACT relating to the filing of Motion and Grounds for new trial.

S. Res. No. 31. RESOLUTION authorizing Acree Austin, of Mayfield, Graves County, Kentucky, to sue the Commonwealth of Kentucky.

H. Res. No. 68. A JOINT RESOLUTION providing for a complete and thorough study and survey of Child Welfare in Kentucky.

H. Res. No. 73. A JOINT RESOLUTION appropriating the sum of One Thousand Dollars (\$1,000.00) as an additional contingent fund for the Clerk of the House, and appropriating the sum of One Thousand Dollars (\$1,000.00) as an additional contingent fund for the Clerk of the Senate, and declaring an emergency.

H. B. No. 459. AN ACT authorizing the acquisition, construction, maintenance, extension, improvement and operation of natural, artificial or combined system for the manufacture or distribution of natural or artificial gas.

S. B. No. 161. AN ACT relating to carrying concealed a deadly weapon.

H. B. No. 458. AN ACT appropriating money out of the General Expenditure Fund for the fiscal year ending June 30, 1950, for expenses of sessions of the General Assembly, and declaring an emergency.

Ordered that said bills and said resolutions be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bills and said resolutions be dispensed with, and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills and said resolutions having been dispensed with, said bills and said resolutions were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

Mr. Hanratty moved that the rules be suspended for the purpose of allowing a Report of Special Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Hubbard, Chairman of the Committee heretofore appointed by the Speaker under authority of H. Res. No. 3, to inquire into and investigate the affairs, activities and management of the Kentucky Department of Aeronautics, offered the following report, viz:

HOUSE OF REPRESENTATIVES—COMMONWEALTH
OF KENTUCKY
REPORT OF INVESTIGATING COMMITTEE
RE: DEPARTMENT OF AERONAUTICS

The undersigned members of the House of Representatives of the Commonwealth of Kentucky, 1950 Session of the General Assembly, having been duly appointed as an investigating committee pursuant to House Resolution No. 3, to “. . . fully and thoroughly inquire into and investigate the affairs, activities

and management of the Kentucky Department of Aeronautics, including the conduct and acts of all officers and employees of the Department, and the conduct and acts of any and all persons having or who have had transactions, dealings or contracts, directly or indirectly with the Department or any of its officers or employees, . . .” now makes this REPORT OF THE HOUSE OF REPRESENTATIVES:

The General Assembly appropriated for the Department of Aeronautics for the year 1948-49 \$50,000.00 for administration of the Department, and \$250,000.00 for the development of Airports. On December 18th, 1949 in the *Courier-Journal* appeared an article by Hugh Morris headlined “Airport-Development Funds are spent to Keep the State’s Planes Flying.” In the said article it was stated, inter alia, that “It spent \$77,000.00 for administration although the Legislature gave it only \$50,000.00 for this purpose. The extra \$27,000.00 came out of funds specifically earmarked for airport development.” At the request of this committee an audit of the Department of Aeronautics for the fiscal year 1948-49 and the first half of 1949-50 was made by Warren M. Van Hoose, Director of Audits of State Agencies, under the supervision of H. W. Jones, Auditor of Public Accounts; this audit is filed with this report and made a part hereof as fully as if copies in toto herein; marked “exhibit Audit.” The said audit reflects that out of the \$50,000.00 appropriation for administrative expenses for the fiscal year 1948-49 \$48,376.76 was expended, leaving a balance unexpended of \$1,623.24 (see page 6 “Audit”). The said audit further reflects (see page 9) that out of the \$250,000.00 appropriated for the Airport Development Fund \$27,856.42 was expended for items other than matching funds for Airport Development Account 4470. There have been three written opinions by Attorneys employed by the State concerning the propriety of this transaction and oral opinions by J. William Tanner, Attorney for the Department of Aeronautics. There has been no decision in court concerning the validity of the use of the said \$27,856.42. This committee finds from the evidence submitted that the Department of Aeronautics acted upon the oral advice of its counsel, and said Tanner, in allocating \$30,000.00 of the Airport Development Appropriation to accounts 1141 through 1146 and the spending of

\$27,856.42 thereof as set out on page 9 of the Audit. This committee finds that there was a reasonable basis for lawyers to differ on whether a proper construction of the statutes concerning the Airport Development Fund permitted the above listed expenditures. It is the opinion of this committee, guided by the phraseology of the 1950 Budget Act, that the General Assembly does not intend that such expenditures be made in the future, if indeed they so intended in the past, where an appropriation for the administration of the Department of Aeronautics has also been made. This finding is noted in a special recommendation at the close of this report.

This committee has diligently inquired into the purchase of a twin engine Beechcraft airplane by the Department of Aeronautics on or about September 27, 1949 for the sum of \$39,000.00 and has heard in public hearings many witnesses qualified to speak on the subject as well as the findings of the investigations by its counsel, and has found no evidence that the price was excessive or that the State did not get value received for its money. The committee has found no evidence of any kickback or other improper conduct in connection with the purchase. The evidence has all been that it is customary to find brokers handling the sale of large planes, and that the custom in the trade is to pass title from the owner to the purchaser without the name of the broker appearing in the chain of title. Although this may cause confusion on the part of those not experienced in the purchase of aircraft when they seek to know who the agents as well as the principals are, it is a well-settled course of action in the aviation industry. The failure to set out the purchase price on the bill of sale is not regarded with disfavor by the Department of Finance, which relies upon the contract and not the bill of sale, although this may cause confusion to an inquirer without all of the records before him.

The fact that the aircraft in question had been extensively damaged by a forced landing on its "belly" at first gave this committee cause for concern as to its value, however, competent and unbiased witnesses, including one man who had as a mechanic helped repair it, testified that the plane when repaired and inspected by the C.A.A. was in as good, if not better condition

after repair than it had been before damaged. The committee was assured by competent and unbiased witnesses that a broker's fee of \$1,000.00 paid in this transaction was not excessive and, if at all abnormal, was lower than usually charged. The apparent haste in completing the final stages of the transaction was adequately explained by the fact that the pilot of the owner was anxious to return to St. Louis, but could not leave the plane until he had received the money due on it. The Department of Finance through its Director of the Division of Purchases indicated no objection to the scaling down of the bid of the Louisville Flying Service, as the plane had been determined as the one represented by the lowest and best bid, and a saving of \$750.00 was effected.

The committee's auditors and counsel experienced difficulty in determining from the records of the Department who had used State owned planes and the dates used, and the committee makes a recommendation in this matter later in this report.

The committee finds that various departments of the State have used planes of the Aeronautics Department and that no charge has been made or collected by the Aeronautics Department other than one very minor payment, and a recommendation is made later in this report.

The committee found nothing that could reflect upon the personal honesty or integrity of Charles H. Gartrell, the Commissioner of Aeronautics. The committee feels that he has tried honestly to do a good job with his Department in promoting aviation in general and developing airports and preserving safety in the use of aircraft. The committee does not feel that restricting use of Airport Development Funds as recommended herein and as provided for in the Budget Act of 1950 will impair the operation of the Department of Aeronautics.

RECOMMENDATIONS

I. To the Department of Aeronautics:

1. That the Commissioner immediately have instituted a

system whereby an interdepartmental charge is made to any other department of the State Government that uses a plane of the Aeronautics Department for other than Aeronautics Department business and sees that the same is paid.

2. That the Commissioner immediately have a system instituted within his department whereby a system of accounts is kept which will reflect, without undue search, what the costs of maintaining and operating each plane is, as well as a permanent record showing who used each plane, the dates, the passengers carried and the purpose of each flight, as well as the times that any plane is inoperable and the reasons therefor.

3. That planes owned by the State be under the Department of Aeronautics, which can act as a "pool", thus affording an integrated operation.

II. To the General Assembly:

1. That in order to prevent any confusion in the future over use of Airport Development funds for administrative expenses KRS 183.772 be amended by adding thereto the following sentence: "No portion of this fund may be used for administrative purposes or the purchase of aircraft in any year in which there has been an appropriation made to the Department of Aeronautics for its general purpose."

2. That there be enacted a law providing that where property is conveyed to the state by bill of sale or deed, the purchase price be set out in full on the face of the bill of sale or deed.

Your committee files herewith the complete stenographic record of its proceedings, together with an itemized statement of its expenses and the sum out of its original appropriation which has been returned to the State treasurer.

Respectfully submitted,

s/ Robert N. Hubbard, Chairman

s/ J. D. Buckman, Jr.

s/ Silas Jacobs

s/ James W. Lambert

s/ James S. Shaw

Mr. Hanratty moved that the House do now adjourn to meet again at 8 o'clock, p.m., Monday, March 13, 1950.

Said motion was agreed to.

And then the House adjourned.

MONDAY, MARCH 13, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Edward W. Baxter, pastor of the Church of the Ascension, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Owen Deering	Barkley Jones
Bill Adams	G. I. Drury	William Jones
Edgar Arnett	Thomas R. Duncan	James W. Lambert
Sidney Baer	Mitchell S. Fannin	Jesse H. Lawrence
Clarence J. Barnum	Henry C. Hale	Mrs. J. T. Linton
C. E. Baumgardner	C. A. Hammons	Homer E. Losey
Leonard T. Bean	James P. Hanratty	A. L. (Chick) Love
John D. Beatty	George F. Harris	Harry K. Lowman
Fred Beshear	Paul E. Hayes	True Mackey
R. O. Blevins	John A. Head	Damon Majors
L. E. Bradley	Harold G. Helm	John Martin
Edward O. Bridgers	William K. Henry	William T. Marshall
Thomas L. Britton	E. R. Hilton	G. Lee McClain
Charles J. Bronston	Ray Holbrook	Jack McPherron
J. D. Buckman, Jr.	Woodrow W. Hollan	Alton Mitchell
Mrs. M. E. Burnett	Chester J. Holsclaw	Archie R. Moore
Charles W. Burnley	W. M. Horn	Emmett G. Moore
Alex Calvert	Richard R. Hout	Walter R. Moorman
Stanley Carter	Maurice G. Howard	Fred H. Morgan
Paul Combs	Robert N. Hubbard	C. S. Nabb
R. Josh Cosby	Silas Jacobs	Dr. C. E. Palmore
B. H. Crider	Paul S. Jonas	James H. Polsgrove

Leonard W. Preston	Jesse H. Shelton	Rev. T. H. Tinsley
Hobart Rayburn	Forest Smith	Ralph N. Walter
W. R. Reasor	Joseph T. Snapp	Fred M. Warns
Carl J. Ruh	John M. Spaulding	Harry Lee Waterfield
Amos Runyan	J. Claude Stacy	Lyle H. Webb
Dr. Roy Sanders	Roy Steers	Morris Weintraub
LeRoy Saylor	Raymond D. Stigall	G. F. Williamson
Roy Searcy	Mrs. Thelma Stovall	Charles W. Wirsch
Paul E. Shannon	W. R. Stringer	Adron Doran,
James S. Shaw	Egbert V. Taylor	Speaker
Gus Sheehan, Jr.	M. G. Thompson	

Mr. Hanratty moved that the reading of the Journal of the proceedings of Friday, March 10, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Hanratty moved that the rules be suspended and the House do now proceed to the Orders of the Day.

Said motion was agreed to by a majority of the members elected.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills and a resolution which originated in that body of the following titles, viz:

S. B. No. 35. AN ACT providing for the printing of the Kentucky Revised Statutes and supplements thereto.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The Kentucky Statutes Revision Commission shall not enter into or execute any contract for the printing or distribution of an edition of the Kentucky Revised Statutes, or any supplement thereto, without first advertising the same to be let by public bid to the lowest and best bidder. No private bid for the publication of such editions of the Kentucky Revised Statutes, or the supplements thereto, shall be permitted.

S. B. No. 192. AN ACT relating to Teachers' Retirement, amending Section 161.610, KRS, providing an alternate plan of withdrawal after 30 years of service and providing for retirement irrespective of age.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 161.610 of the Kentucky Revised Statutes is amended to read as follows:

Subsection (1) Any person who has been a teacher in Kentucky for thirty years or more and who withdraws from teaching after June 12, 1940, and before reaching the age of sixty years may refuse to withdraw his deposits and continue to pay into the fund each year until the end of the fiscal year in which he reaches the age of sixty years the same amount that he was required to contribute during his last full year as a teacher. If he so elects he shall, at the end of the fiscal year in which he attains the age of sixty years and thereafter, be entitled to receive the same retirement allowance as a teacher who retires at the age of sixty years.

Subsection (2) Any member who has completed thirty years of service in Kentucky, which service is eligible for credit, and who withdraws from teaching subsequent to July 1, 1950, may refuse to withdraw his deposits and irrespective of age apply for a retirement allowance on July 1 of any scholastic year, but not later than the end of the year in which he attains his sixty-fifth birthday. Such a member shall notify the Board of Trustees in writing of his intention to withdraw under the provisions of this subsection and shall be deemed to have a vested interest in the Retirement Funds. The retirement allowance in final amount at age of retirement shall be determined by an actuarial factor equivalent to one at age seventy. Said factors shall be determined by the Actuary of the System and approved by the Board of Trustees.

S. B. No. 202. AN ACT relating to circuit courts in counties having a population of 150,000 or more and to commissioners, receivers and jurors of such courts.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Section 24.200 of the Kentucky Revised Statutes is amended to read as follows:

Section 24.200 (1020-2; 1020-7) *What branch each judge to preside over; vacancies.* Each judge of a court having nine judges shall preside over the branch of the court to which he is elected during his entire term of office, except as provided in Kentucky Revised Statutes 24.240.

(2) When a vacancy is filled the judge appointed or elected to fill the same shall preside over the branch and division presided over by the judge whose place has become vacant. If more than one vacancy is to be filled at any election, the ballots shall specify the branches for which judges are to be elected.

2. Section 24.210 of the Kentucky Revised Statutes is amended to read as follows.

Section 24.210 (1020-6) *Assignment of actions; which division of try actions; orders.* (1) The assignment of actions to divisions for trial and hearing shall be made in accordance with the rules established by the general term, as provided for in Kentucky Revised Statutes 24.250.

(2) All criminal prosecutions and all proceedings on bail bonds and recognizances in criminal cases shall be brought and prosecuted in the criminal branch. Actions in the other branches and divisions shall be tried in such branches and divisions according to rules of court to be made in general term. The rules shall provide for the trial of actions in the common pleas branch, after the issues are completed in any division that is not engaged when the actions are ready for trial, without regard to the assignment. The rules may provide for the sending of actions to other divisions for trial for any reason the judge to whom it is first sent for trial deems sufficient.

3. Section 24.220 of the Kentucky Revised Statutes is amended to read as follows:

Section 24.220 (1020-26) *Transfer of cases involving common fund.* Transfers may be made between the branches and divisions of a court having nine judges in all cases in which a common fund is involved in litigation, so that the distribution of the fund may be under the control of one branch of the court.

4. Section 24.230 of the Kentucky Revised Statutes is amended to read as follows:

Section 24.230 (1020-9) *Proceedings valid in any branch.* Proceedings in any court having nine judges shall be valid when prosecuted in any branch or division thereof.

5. Section 24.240 of the Kentucky Revised Statutes is amended to read as follows:

Section 24.240 (1020-10) *Judge of one branch may preside over another.* Any judge presiding over one branch or division of a court having nine judges may hear and determine any case or question in any other branch or division.

6. Section 24.250 of the Kentucky Revised Statutes is amended to read as follows:

Section 24.250 (1020-20) *Rules; general term; order book.*
(1) A court having nine judges shall, in general term, establish rules of the court, and may, from time to time, change such rules. The rules shall be binding on each branch and division of the court until changed in general term.

(2) A general term of the court shall be held on the first Monday in January and July in every year, and at such other times as the court shall by rule establish. General terms may also be called in writing by any three of the judges.

(3) In addition to the order books and the judgment books of the several branches and divisions of the court, the clerk

shall keep an order book of the general term, in which shall be entered all rules made and other business transacted at general terms.

, 7. Section 24.260 of the Kentucky Revised Statutes is amended to read as follows:

Section 24.260 (1020-24; 1020-25) *Action on bond of court officers.* An action on the official bond of the clerk, commissioner, receiver or depository of a court having nine judges may be brought in the court as other actions of which it has jurisdiction. Any person interested may sue on any such bond for a breach thereof, and any branch of the court may, by rule and attachment against the obligors therein, enforce their performance.

8. Section 27.040 of the Kentucky Revised Statutes is amended to read as follows:

Section 27.040 (1020-20; 1020-23) *Commissioner and receiver in circuit courts having nine judges.* (1) In circuit courts having nine judges, the regular judges at a general term of court shall by an order entered on the order book, appoint a commissioner and a receiver of the court, who shall hold their offices four years, unless removed, as may be done, at the pleasure of the court at a general term.

(2) The commissioner shall discharge the duties and have the power of a master in chancery and as provided by law and the rules of the court.

(3) The receiver shall receive, care for and deposit all the moneys and property that may be paid or deposited into court, and shall disburse the same upon the orders of the court as provided by law and the rules of the court.

(4) The commissioner and the receiver shall in open court execute bond and take an oath as required in Kentucky Revised Statutes 27.010 and 27.030.

9. Sub-section 3 of Section 29.130 of the Kentucky Revised Statutes is amended to read as follows:

(3) In courts of counties containing a city of the first class, a judge of the criminal branch shall, on a day one week next before the day on which they shall be summoned to appear, draw from the drum a sufficient number of names, in the discretion of the judge, to procure a sufficient number of persons qualified to act as grand jurors, and shall make a written record thereof, which he shall certify and sign. In such courts a judge of any division requiring the services of a petit jury shall, every two weeks, on a day one week next before the day upon which they shall be summoned to appear, draw from the drum a sufficient number of names, in the discretion of the judge, to procure twenty-four persons qualified to act as petit jurors in each division requiring jurors. The clerk of the court or the official stenographer, as directed by the court, shall prepare a record thereof on paper, which shall be certified and signed by the judge.

10. This Act shall take effect on August 15, 1950.

S. B. No. 208. AN ACT relating to the fees of jailers.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (2) of Section 64.150 of the Kentucky Revised Statutes is amended to read as follows:

(2) Where a prisoner is confined for a breach of the by-laws or ordinances of a city, or for violation of a statute where the city gets the benefit of the fine, the applicable fees provided for in subsection (1) of this section for keeping and dieting the prisoner and for imprisoning and releasing him shall be paid by such city.

S. B. No. 247. AN ACT relating to medical examinations as a condition of employment.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act, unless the context requires otherwise:

(1) The term "governmental agency" means the Commonwealth of Kentucky as such acting by or through any department, instrumentality or agency thereof, of any county, city, agency of instrumentality or other political subdivision of the Commonwealth, or agency, or instrumentality thereof.

(2) The term "employee" means any person who may be permitted, required or directed by authority of a governmental agency, as defined in subsection (1) of this section, in consideration of direct or indirect gain or profit, to engage in any employment.

Sec. 2. All governmental agencies requiring a medical examination as a condition of employment, shall provide such medical examination free of charge to all their employes. In the event an employe pays for his own examination the governmental agency shall reimburse him in full for such expense.

S. B. No. 253. AN ACT relating to physical examination for school teachers.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The State Department of Health, through the facilities of the local health units, shall provide for all school teachers, free of charge, the physical examinations required by their employing authority in the educational system.

S. B. No. 267. AN ACT relating to alcoholic beverage licenses.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Except as provided in Section 3 of this Act, no wholesaler's license of the kind mentioned in KRS 243.030 and KRS 243.160 shall be issued to or held by any natural person who has not been an actual bona fide resident in this state for at least five years before the date on which the application for a license is made.

Sec. 2. Except as provided in Section 3 of this Act, no wholesaler's license of the kind mentioned in KRS 243.030 and KRS 243.160 shall be issued to or held by any partnership, any member of which has not been an actual bona fide resident in this state for at least five years before the date on which the application for a license is made; and no such license shall be issued to or held by any corporation of which as much as 25% of the capital stock is owned by any person or persons who have not had an actual bona fide residence in this state for at least five years before the date on which the application for license is made, or owned by any corporation as much as 75% of the capital stock of which is not owned by individuals who have had an actual bona fide residence in this state for at least five years before the date on which the application for license is made.

Sec. 3. Any natural person or partnership holding such a license on the effective date of this Act shall not, by reason of the provisions of this Act, be ineligible to continue to hold such license, or obtain a renewal thereof; and any corporation holding such a license on the effective date of this Act shall not, by reason of the provisions of this Act, be ineligible to continue to hold such license, or obtain a renewal thereof, so long as none of its capital stock is thereafter transferred to a person or persons not having an actual bona fide residence in this state for at least five years before the date of such transfer, or transferred to a corporation as much as 75% of the capital stock of which is not owned as aforesaid. If, upon the death of a stockholder of a corporation holding such a license, some, or all, of its stock

passes to persons who have not had an actual bona fide residence in this State for at least five years before the date upon which the stock passed to them and, as a result, as much as 75% of the capital stock of such corporation does not continue to be owned by persons who have had an actual bona fide residence in this State for at least five years before the last date on which such stock passed, the corporation may, nevertheless, continue to hold its license and do business thereunder for the remainder of the term for which the license was issued and for one renewal period of such license.

S. B. No. 270. AN ACT relating to the judicial system of this commonwealth.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is hereby created a Judicial Council, composed of the Chief Justice of the Court of Appeals, or an associate Justice or Commissioner designated by him; two circuit Judges of courts of continuous session, two Circuit Judges of courts not of continuous session, a circuit court clerk, all to be appointed by the Chief Justice of the Court of Appeals; three members of the State Bar Association, to be appointed by the Governor; the Chairman of the Judiciary Committee of the House of Representatives; and the Chairman of the Judiciary Committee of the Senate. The appointed members of the Committee shall serve for a term of four years from the date of their respective appointments, and vacancies shall be filled by the original appointing official.

Section 2. There is hereby created a Judicial Conference, which shall consist of the Judges and Commissioners of the Court of Appeals, and all Circuit Judges of the Commonwealth. The Chief Justice of the Court of Appeals shall be its presiding officer.

Section 3. The Judicial Council shall meet at the seat of the government on the first Monday in October and the first

Monday in June, and at such other times as may be called by its Chairman, who shall be elected by the members of the Council.

The Judicial Conference shall meet at least once a year upon the call of the Chief Justice of the Court of Appeals at the seat of the government.

Section 4. It shall be the duty of the Judicial Council to:

(a) Carry on a continuous survey and study of the organization, operation, condition of business, practice and procedure of the state judicial system.

(b) Require all necessary reports from the courts and clerks thereof of this Commonwealth relating to rules, dockets, and business dispatched or pending in such courts. Clerks of courts shall make to the Council any reports required by it and shall receive fifty (50c) cents for each page reported, to be paid as an expense of the Council.

(c) Receive and consider suggestions from judges, public officers, members of the Bar and others, and hold public hearings in its discretion, on matters relating to improvement in the administration of justice.

(d) Devise ways of simplifying judicial procedure, expediting the transaction of judicial business, and correcting faults in judicial administration.

(e) Submit from time to time to the courts and judges of this Commonwealth, either upon request or on its own motion, such recommendations as it may deem advisable for changes in rules, procedure, methods of administration, or other matters pertaining to the judicial system.

(f) Report annually before November 1 to the Judicial Conference and the Court of Appeals on the conditions of business in the courts, with recommendations concerning any needed changes in the organization of the Judicial Department, judicial procedure and the general improvement in the administration of Justice.

(g) Report biennially to the General Assembly concerning the work of the various branches of the judicial system in Ken-

tucky, and make such recommendations for the improvement in judicial administration, practice and procedure as it deems necessary and proper.

Section 5. It shall be the duty of the Judicial Conference to conduct a continuous study of the judicial system and administration in this Commonwealth, and take appropriate action on reports and recommendations submitted to it by the Judicial Council.

Section 6. Members of the Judicial Council and the Judicial Conference shall receive no compensation for their services, but shall be allowed their actual and necessary expenses while on the business of the Council and the Conference; and all claims for expenses must be approved by the Chief Justice of the Court of Appeals.

The Judicial Council is authorized to employ a permanent secretary and necessary clerical assistants, and to maintain an office at the seat of the government.

Section 7. To carry out the purposes of this act, there is hereby appropriated out of the General Expenditure Fund in the State Treasury the sum of fifteen thousand (\$15,000) dollars annually for each of the fiscal years 1950-51 and 1951-52.

Section 8. Chapter 22 of the Kentucky Revised Statutes, being Sections 22.010, 22.020, 22.030 and 22.040, are hereby repealed.

S. Res. No. 54. A JOINT RESOLUTION authorizing Raymond Clayton of Providence, Kentucky, to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. There is appropriated out of the Legislative Session Fund a sufficient sum of money to enable the payment of com-

pensation, at the rate of \$2 per day each, during the period of the present session of the General Assembly, to Noel Jones, James B. West, Mrs. Ottie Scott, Robert Crews, James Weber, Sam Penn, Edward Quire, Forsee Winter, Adrian Slusher, Kelly Gilbert, and Willard Wingate for extra services performed and overtime actually worked, in the operation and maintenance of the State Capitol and its various facilities, which extra services and extra hours were made necessary by reason of attendance upon the members of the General Assembly at both the day and night sessions and committee meetings thereof.

2. The Chief Clerk of the House of Representatives shall requisition, and the Commissioner of Finance shall draw his warrant upon the State Treasurer in favor of said Chief Clerk for, the sum hereby appropriated. The Chief Clerk shall forthwith distribute said sum in the manner contemplated by this Resolution.

3. WHEREAS, the General Assembly will within a short time adjourn and the officers and employes will depart for various sections of the state, an emergency is declared to exist and this Resolution shall be effective from and after its passage and approval by the Governor.

Ordered that said bills and said resolution be printed and referred to the Committee on Rules.

The message which was received from the Senate also announced that they had passed bills which originated in this body of the following titles, viz:

H. B. No. 421. AN ACT relating to common school with particular reference to entrance age requirements.

H. B. No. 446. AN ACT relating to income taxation.

H. B. No. 447. AN ACT relating to education; including provisions for allocation and distribution of the school equalization fund and making appropriations for such fund and other educational purposes.

H. B. No. 449. AN ACT relating to a study, survey and report concerning the requirements, needs, responsibilities and

resources of the state government; providing for a Committee on Functions and Resources of State Government and for the furnishing of assistance and facilities by the Legislative Research Commission; and making an appropriation. This Act shall be known as the "Ruh Act."

Ordered that said bills be delivered to the Enrolling Clerk of this House.

Mr. Lowman sent to the Chief Clerk's desk a communication which he had received from the Honorable Charles H. Gartrell, Commissioner of the Department of Aeronautics of the Commonwealth of Kentucky.

Mr. Lowman moved that said communication be spread at length upon the Journal.

Said motion was agreed to.

Said communication is as follows, viz:

March 13, 1950

Hon. Harry K. Lowman
House of Representatives
Frankfort, Kentucky

Dear Harry:

I want to thank you and every Member of the House for the consideration and the open-minded attitude you have displayed toward us during the recent investigation of the Department of Aeronautics. I am especially appreciative of the thorough methods employed throughout the hearing by your Committee, composed of Representatives Robert N. Hubbard, Chairman, Silas Jacobs, James W. Lambert, James S. Shaw, and J. D. Buckman, Jr. This Committee was absolutely fair and impartial and I do not believe a more able group could have been assembled.

Please assure the Kentucky House of Representatives for me that insofar as it is within my power, the administrative procedures recommended by the Committee in its report will be complied with immediately upon proper approval.

Again thanking you, I am

Respectfully yours,
s/ Chas. H. Gartrell
Commissioner

Mr. Thompson moved that the rules be suspended for the purpose of offering a resolution.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Thompson offered the following resolution, viz:

H. Res. No. 76-A.

WHEREAS, in the month of February, 1950, Kelly J. Francis was called by his Maker from the scene of his earthly toil; and,

WHEREAS, Kelly had devoted a long life to the service of the people of his home county of Lincoln, and to the people of the State of Kentucky, as a member of the House of Representatives, serving in the hectic session of 1930 as one of the leaders of the Democratic Party in that Session in the fight to create the present Highway Department and the espousal of other important legislation for the good of the people of the State of Kentucky; and

WHEREAS, all of the members of that Assembly and of the Assembly of 1932, recognized Kelly as one of the Most outstanding members ever to serve in the Kentucky Legislature, it having been said of him by his fellow-members that on all occasions he had the intelligence to know the right, and the courage to fight for it; and,

WHEREAS, his passing will be keenly felt by the people of Stanford, Kentucky, Lincoln County, and by the State in general;

NOW, THEREFORE, BE IT RESOLVED BY THE KENTUCKY GENERAL ASSEMBLY that this Resolution is offered and adopted as being an expression of the feelings of the members of the General Assembly for their former associate, KELLY J. FRANCIS, and a symbol of their esteem for the long service which he rendered to the people of his County and to the State; and,

BE IT FURTHER RESOLVED that a copy of this Resolution be sent to his wife, as an expression of the sympathy of this Legislature for her in her bereavement, and that this Resolution be spread upon the Journal of the House.

Mr. McPherron moved that the rules be suspended and Master Jimmy Wash, of Owenton, Kentucky, be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

Mr. Henry moved that the rules be suspended and Miss Barbara Stewart be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

Mr. Steers moved that the rules be suspended and Dale Renzy Maupin be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that they had examined and found to be correctly enrolled bills and a resolution of the following titles, viz:

S. B. No. 170. AN ACT relating to judicial districts; creating an additional district and making changes in the apportionment of counties to the Tenth Judicial District in order to comply with the meaning and intent of the Constitution with respect to the division of the state into judicial districts; providing for continuation in office of the present circuit judges and Commonwealth's attorneys and creating the offices of circuit judge and Commonwealth's attorney for the new district established by this Act; and providing for the holding of court in each district affected by this Act.

S. Res. No. 40. JOINT RESOLUTION providing for payment of ministers of churches of Frankfort for performing duty of chaplain for the General Assembly.

S. B. No. 16. AN ACT to amend Section 256 of the Constitution of this Commonwealth relating to the amendment of said Constitution.

Thereupon, all other business was suspended, said bills and said resolution were read at length and compared in open session and found to be correctly enrolled, and thereupon, the Speaker, in open session and in the presence of the House affixed his signature thereto.

Ordered that said bills and said resolution be delivered to the Enrolling Clerk of the Senate.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 464. AN ACT to amend Section 279.210 of the 1948 edition of the Kentucky Revised Statutes relating to jurisdiction of the Public Service Commission over rural electric co-operatives, assessments paid and application of other laws.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 279.210 of the 1948 edition of the Kentucky Revised Statutes is amended to read as follows:

279.210 Jurisdiction of Public Service Commission; application of other laws. (1) Every corporation formed under this chapter shall be subject to the general supervision of the Public Service Commission, and shall be subject to all the provisions of KRS 278.010 to 278.450 inclusive, and KRS 278.990.

(2) The provisions of the general corporation laws of this state and all rights and powers thereunder shall apply to corporations organized under this chapter, except where such provisions are in conflict with or inconsistent with the express provisions of this chapter.

Mr. Moorman moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Charles W. Burnley	Woodrow W. Hollan
Edgar Arnett	Alex Calvert	Chester J. Holsclaw
Sidney Baer	Stanley Carter	W. M. Horn
Clarence J. Barnum	R. Josh Cosby	Richard R. Houpt
C. E. Baumgardner	Owen Deering	Maurice G. Howard
Leonard T. Bean	G. I. Drury	Robert N. Hubbard
John D. Beatty	Thomas R. Duncan	Silas Jacobs
Fred Beshear	Henry C. Hale	Paul S. Jonas
R. O. Blevins	C. A. Hammons	Barkley Jones
L. E. Bradley	James P. Hanratty	William Jones
Edward O. Bridgers	George F. Harris	James W. Lambert
Thomas L. Britton	John A. Head	Jesse H. Lawrence
Charles J. Bronston	Harold G. Helm	Mrs. J. T. Linton
J. D. Buckman, Jr.	E. R. Hilton	A. L. (Chick) Love
Mrs. M. E. Burnett	Ray Holbrook	Harry K. Lowman

True Mackey	Hobart Rayburn	Raymond D. Stigall
Damon Majors	W. R. Reasor	Mrs. Thelma Stovall
John Martin	Carl J. Ruh	W. R. Stringer
William T. Marshall	Amos Runyan	Egbert V. Taylor
Jack McPherron	Dr. Roy Sanders	M. G. Thompson
Alton Mitchell	LeRoy Saylor	Rev. T. H. Tinsley
Archie R. Moore	Roy Searcy	Ralph N. Walter
Emmett G. Moore	Paul E. Shannon	Fred M. Warns
Walter R. Moorman	James S. Shaw	Harry Lee Waterfield
Fred H. Morgan	Gus Sheehan, Jr.	Lyle H. Webb
C. S. Nabb	Jesse H. Shelton	G. F. Williamson
Dr. C. E. Palmore	Forest Smith	Charles W. Wirsch
Leonard W. Preston		—82

There voted in the negative—

Bill Adams

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 426. AN ACT relating to the State Board of Health, amending Section 211.040 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 211.040 of the Kentucky Revised Statutes is amended to read as follows:

There shall be a State Board of Health, consisting of nine members, each of whom must be licensed in this state to prac-

tice the profession required of him by this section as a qualification for membership. The board shall be a continuation of the board appointed under Chapter 120 of the Acts of 1920. Eight of the members shall be appointed by the Governor, by and with the advice of the Senate. The Commissioner of Health shall constitute the ninth member. One member of the board shall be a registered pharmacist, and shall be appointed from a list of three names submitted by the Kentucky Pharmaceutical Association. Of the other members one shall be a homeopathic, one an eclectic, and one an osteopathic physician, and the others shall be regular allopathic physicians, all to be appointed from a list of three names for each position furnished respectively by the state society or association of such schools or systems of practice as are entitled to the member. If the board elects one of its members as Commissioner of Health, the Governor shall appoint another member to complete the full number of the board. No member of the board, except the Commissioner of Health, shall be a stockholder or member of the faculty or board of trustees of any medical college.

Mr. Head moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill

in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	Fred H. Morgan
Bill Adams	John A. Head	C. S. Nabb
Edgar Arnett	Harold G. Helm	Dr. C. E. Palmore
Sidney Baer	William K. Henry	James H. Polsgrove
Clarence J. Barnum	E. R. Hilton	Leonard W. Preston
C. E. Baumgardner	Ray Holbrook	Hobart Rayburn
Leonard T. Bean	Woodrow W. Hollan	W. R. Reasor
John D. Beatty	W. M. Horn	Carl J. Ruh
Fred Beshear	Maurice G. Howard	Amos Runyan
R. O. Blevins	Robert N. Hubbard	LeRoy Saylor
L. E. Bradley	Silas Jacobs	Paul E. Shannon
Edward O. Bridgers	Paul S. Jonas	James S. Shaw
Thomas L. Britton	Barkley Jones	Gus Sheehan, Jr.
Charles J. Bronston	William Jones	Jesse H. Shelton
J. D. Buckman, Jr.	Jesse H. Lawrence	Forest Smith
Mrs. M. E. Burnett	Mrs. J. T. Linton	Raymond D. Stigall
Alex Calvert	A. L. (Chick) Love	Mrs. Thelma Stovall
Stanley Carter	True Mackey	W. R. Stringer
Paul Combs	Damon Majors	Egbert V. Taylor
R. Josh Cosby	John Martin	M. G. Thompson
B. H. Crider	William T. Marshall	Rev. T. H. Tinsley
Owen Deering	G. Lee McClain	Ralph N. Walter
G. I. Drury	Jack McPherron	Fred M. Warns
Thomas R. Duncan	Alton Mitchell	Harry Lee Waterfield
Henry C. Hale	Archie R. Moore	Lyle H. Webb
C. A. Hammons	Emmett G. Moore	G. F. Williamson
James P. Hanratty	Walter R. Moorman	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Head moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 199. AN ACT providing for flood control districts, as political subdivisions of the Commonwealth of Kentucky, to maintain and operate flood control works.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. *Definitions.* As used in this Act, unless the context otherwise requires:

(a) "Commissioner" shall mean the Commissioner of Conservation of the Commonwealth of Kentucky.

(b) "Flood control works" shall mean and include all land, pumping equipment, buildings, motor vehicles, mowing machines, or any other fixtures, tools or equipment a part of or used in connection with a flood wall or other construction designed to protect an area from being flooded.

(c) "District" shall mean a flood control district organized and created under the terms of this Act.

(d) "Board" or "directors" shall mean the board of directors of a flood control district organized and created under the terms of this Act.

(e) "Director" shall mean a person appointed as a member of the board of directors as provided in this Act.

(f) "Person" shall mean any person, firm, copartnership, association or corporation other than a public corporation.

(g) "Public corporation" shall mean any county, city, school district, water district or drainage district, and any other governmental agency or political subdivision clothed with the power of levying general or special taxes or issuing bonds payable from special funds.

(h) "Land" or "property" shall mean real property.

Section 2. The Commissioner of Conservation of the Commonwealth of Kentucky, in addition to his other duties and powers, is invested with jurisdiction, power and authority to establish flood control districts in accordance with the provisions of this Act.

Section 3. A flood control district may be established for the purpose of maintaining and operating any flood control works heretofore or hereafter constructed in any city or county of the state. The boundaries of such a flood control district shall be the floodwall or levee and the contour line on the land back of the floodwall or levee of the same elevation as the elevation of the top of the floodwall or levee.

Section 4. (1) Before the Commissioner of Conservation shall establish a flood control district, a petition shall be filed with the commissioner, signed by seventy percent of those in possession claiming as freeholders within the boundaries of the proposed flood control district.

(2) In determining when seventy percent of the landowners have signed the petition the commissioner shall be bound by the names as they appear upon the county tax duplicate, which for all purposes of this Act shall be prima facie evidence of such ownership. The commissioner shall further require evidence to determine the fact that all signatures on the petition are genuine, and a notification by ordinary mail sent to the respective addresses shown on the petition shall establish the genuineness of a signature if the petitioner so notified fails to report in writing within ten days that he did not sign the petition. When authorized by ordinance, such a petition may be signed by a majority of the governing body of any municipality lying wholly or partly within the proposed district. When so signed by a majority of such governing body the petition shall fill all requirements of representation on the part of the freeholders of the municipality as they appear upon the assessment roll of the municipality, and individuals within the municipality shall not sign the petition.

Section 5. The petition shall contain:

(1) The proposed name of the district, which shall be "Flood Control District No. _____ of _____ County, (or counties), Kentucky."

(2) The necessity for maintaining and operating any flood control works of the District and that such maintenance and operation will be conducive to the public health, safety, comfort, convenience or welfare.

(3) A general description of the flood control works to be maintained and operated and of the territory to be included in the proposed district. The description need not be given by metes and bounds or by legal subdivision, but it shall be sufficient if a reasonably accurate description is given of the territory to be organized as a district by showing the boundaries of such district on a map or by other means. The territory may include one or more political subdivisions or portions thereof, and, except as provided in this Act, shall not be included wholly within the limits of a single municipality. The territory need not be contiguous if it is so situated that the public health, safety, comfort, convenience or welfare will be promoted by its organization as a single district.

(4) A prayer for the organization of the district.

Section 6. No petition with the requisite number of valid signatures shall be declared void on account of alleged defects, but the commissioner may at any time permit the petition to be amended in form and substance to conform to the facts, by correcting any errors in the description of the territory or in any other particular, but shall not add or deduct area except as provided in Section 8 hereof. Several similar petitions or duplicate copies of the same petition for the organization of the same district may be filed and shall together be regarded as one petition. All such petitions filed shall be considered the same as though filed with the first petition placed on file.

Section 7. At the time of filing the petition, or at any time subsequent thereto and prior to the time of the giving of notice by the commissioner, as hereinafter provided, the petitioners shall either file bond with the commissioner with security approved by him, or deposit cash or securities with him in an amount sufficient to pay the costs in the proceedings thereafter involved. If the commissioner at any time during the proceedings is not satisfied that the bond or deposit is sufficient or that the surety on the bond is safe, he may require the execution of an additional bond or the giving of additional surety or an additional deposit within a time to be fixed not less than ten days thereafter, and upon the failure of the petitioners to comply, the commissioner may refuse to proceed further and may refuse to organize the district.

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Section 8. (1) When the petition is filed with the commissioner, he shall investigate at once the boundary of the district proposed to be organized, and may, at the cost of the petitioners, cause to be made surveys necessary to establish with reasonable accuracy a boundary that will, in his judgment, accomplish the purpose sought by the creation of the district in a practicable and workable manner, and that will be sufficiently comprehensive to avoid confusion or interference with any other similar district then existing or that may be created. The boundary established by the commissioner need not follow the boundary proposed by the petitioners, but if the boundary established by the commissioner results in a material change from that proposed in the original petition the petitioners shall secure, in case of a larger or smaller area, the signatures of seventy percent of the free-holders or owners in the area as established by the commissioner.

(2) Should it be found desirable to include in a flood control district all or a portion of a city of the first, second or third class, the governing body of such city shall determine by ordinance whether the city or portion thereof shall be included in the district, or whether the city shall bind itself to pay the taxes levied for the benefits of the district in such area.

Section 9. When seventy percent of those qualified within the boundary fixed by the commissioner are found to have petitioned for the establishment of a flood control district, and the commissioner has established the boundaries thereof, the commissioner shall give notice of the application for the creation of the district, by posting the notice in at least ten places in the area proposed to be organized into a district, or by publishing it in at least two consecutive, regular editions of a newspaper of general circulation in the proposed district.

Section 10. Any owner of real property in the proposed district who has not signed the original petition for the creation of the district and who wishes to object to the organization of the district shall, within sixty days after the giving of notice by the commissioner, file his petition in the circuit court of the county in which the larger part of the proposed district is located, naming the commissioner defendant and setting out in the peti-

tion his objections to the organization of the district. The commissioner shall be represented in the circuit court by the county attorney and in the Court of Appeals by the Attorney General and he also may require his defense to be made by the petitioners or some of them. The issues may be made up and the case may be docketed for hearing as in an action for a declaration of rights, and an appeal may be taken and judgment shall become final as provided for in such procedure. The burden of proof shall be upon the plaintiff to show cause why the district should not be organized. If the court renders judgment against the commissioner, the judgment shall point out the changes required for the establishment of a district, which, if met by the commissioner, shall authorize the creation of the district. If the changes are not met by the commissioner, the proposed district shall not be organized unless new proceedings are instituted for the creation of a district, but such new proceedings shall not be instituted for a period of six months after the date of judgment. If the court gives judgment against the plaintiff, the commissioner shall organize the district. An appeal taken as authorized in this section shall suspend the judgment until the case has been passed upon by the Court of Appeals and final judgment rendered. Either the plaintiff or the commissioner may appeal from the judgment of the circuit court to the Court of Appeals, but the commissioner shall not be required to make any appeal bond. Except as otherwise provided in this section, the pleadings and practices shall be the same as in other suits in equity.

Section 11. If no suit is filed against the commissioner under Section 10 of this Act, or if suit is filed and final judgment in the circuit court or on appeal is in favor of the commissioner, the commissioner shall forthwith declare the district organized into a flood control district and give it a corporate name as provided in Section 5 hereof, by which in all proceedings it shall thereafter be known. The commissioner shall certify his act to the county court clerk of each county in which any part of the district is located, and to the Secretary of State, each of whom shall record the certificate as articles of incorporation. The commissioner shall also certify his act to the county judge of each county in which any part of the district is located. The district shall then be a political subdivision and shall have perpetual

existence, with power to sue and be sued, contract and to be contracted with, incur liabilities and obligations, exercise the right of eminent domain, assess, tax, issue bonds, and do and perform all acts herein expressly authorized and all acts necessary and proper for the carrying out of the purpose for which the district was created, and for executing the powers with which it is invested.

Section 12. The certificate establishing the district shall be deemed final and binding upon the real property in the district, and shall finally and conclusively establish the regular organization of the district against all persons except the state upon suit commenced by the Attorney-General. The organization of the district shall not be directly or collaterally questioned in any action except as herein expressly authorized.

Section 13. The commissioner shall designate in the certificate the place where the office of the district shall be located, which shall be within the corporate limits of the district if practicable. The place may be changed by the board of directors of the district from time to time, by the certification of the change to the county court clerk of each county in which the district is located and the notation thereof on the records of the clerk. The records of the district shall have "Flood Control District Records" printed, stamped or written thereon. They shall be kept at the office and shall be open to inspection as are the records of the fiscal court.

Section 14. Within thirty days after the commissioner certifies to the county clerk of each county in which the district is located that the district is incorporated, there shall be appointed a board of directors for the district, consisting of five members, which shall control and manage the affairs of the district. If all or part of a first, second or third class city lies within the district the mayor of such city shall appoint three members of the board of directors, and the county judge shall appoint two members, or if the District lies within two counties each county judge shall appoint one member, or if the district lies within more than two counties the county judge of each of two of the counties, in rotation as determined by lot, shall appoint one member. If all or part of two cities of the first, second or third class lies within

the district the mayor of each city shall each appoint two members of the board of directors, and the fifth member shall be appointed by the county judge of the county in which the major portion of the district lies. If all or part of more than two cities of the first, second or third class lies within the district the mayor of each city shall appoint one member of the board and one additional member shall be appointed by each mayor of the city or cities containing most of the district to make the full number of five directors. If no first, second, or third class city or part thereof, lies within the district, the county judge shall appoint all five members, or if the district lies in two counties, the county judge of the county in which the major portion of the district is located shall appoint three members and the county judge of the other county shall appoint two members, or if the district lies in more than two counties the county judge of each county shall appoint one member and one additional member shall be appointed by each county judge of the county or counties containing most of the district to make the full number of five directors. No director shall in any way be associated or connected with the ownership, operation or control of any privately owned public utility operating within the district. Two of the members of the first board of directors shall hold their offices for one year, and the others shall hold their offices for two, three and four years, respectively, from the dates of their appointments, the length of the term of office of each member to be determined by lot at their first meeting. After the expiration of the respective terms of office of the members of the first board of directors, each director shall be appointed and shall serve for a period of four years and until his successor has been appointed and has qualified. Vacancies resulting from any cause other than expiration of a term of office shall be filled only for the unexpired term and until a successor has been appointed and has qualified. The directors shall at all times be residents and real estate owners within the district, and the office of any director who moves his residence outside the district or who ceases to be a real estate owner within the district shall automatically be vacated.

Section 15. (1) Each director, before entering upon his official duties, shall take and subscribe to an oath that he will

honestly, faithfully and impartially perform the duties of his office, and that he will not be interested in any contract let for the purpose of carrying out any of the provisions of this Act. The oath shall be filed with the clerk of the county court of the county represented by the director or of the county in which is located the city represented by the director.

(2) Each director shall give a good and sufficient bond, to be approved by the officer appointing him, for the faithful and honest performance of his duties and as security for all moneys coming into his hands or under his control. The cost of the bond shall be paid by the district.

Section 16. A majority of the directors shall constitute a quorum and concurrence of the majority in any matter within the duties of the board shall be sufficient for its determination. All actions taken by the directors shall be by resolution, and in each instance the name and vote of each director shall be recorded in the minutes.

Section 17. (1) The board of directors shall, upon taking oath, elect one of their members as president of the board, and shall select some suitable person as secretary, who need not be a member of the board. The secretary shall serve as treasurer of the district, or the board may select a treasurer. The selection of the secretary and treasurer shall be evidenced on the minutes of the board, with their compensation. He or they shall serve at the pleasure of the board.

(2) The board shall adopt a seal, and shall keep in a well-bound book a record of all proceedings, minutes of meetings, certificates, contracts, bonds given by employes, and all corporate acts, which shall be open to the inspection of any owner of property in the district as well as all other interested persons.

(3) The board of directors shall be the governing body of the flood control district, and shall exercise all the powers and manage and control all of the affairs and property of the district.

(4) No compensation shall be paid to directors, but each director shall be reimbursed for expenses incurred in attending meetings or for expenses incurred in other activities authorized by the board of directors as necessary for carrying out the purposes of the flood control district.

(5) The board of directors may adopt all necessary rules and regulations for the proper management and conduct of the business of the board and of the corporation, and for carrying into effect the other objects for which the district was formed. The board of directors may also make and enforce rules and regulations pertaining to the use by persons of land or properties connected with or a part of the flood control works. All such rules and regulations shall become effective on the date when a notice of their adoption appears in a newspaper of general circulation in the district; such notice shall not contain the rules and regulations in full but shall only summarize their contents and shall state where any interested person may examine the full texts of such rules and regulations.

(6) The board of directors may recover by civil action from any person or public corporation violating such rules and regulations a sum not less than one hundred dollars nor more than one thousand dollars, together with costs. The board may enforce by mandamus or otherwise all necessary and authorized rules and regulations made by it, and may take summary action to remove any improper construction or to terminate any unauthorized practices in connection with flood control works. Any person or public corporation wilfully failing to comply with rules and regulations of the board shall be liable for damages caused by such failure and for the cost of renewing or replacing any of the flood control works damaged or destroyed.

(7) The board of directors shall have an annual audit made by a certified public accountant, copies of which shall be filed with the Secretary of State and with the county judge of the county or counties in which the flood control district is located.

Section 18. The secretary shall be the custodian of the seal, minutes and records of the district, and shall assist the board of directors in such particulars as the board directs in the performance of its duties. The secretary shall attest, under the seal of the district, such records as are required of him by the provisions of this Act, or by any person ordering the same, and shall receive for such transcription the same compensation allowed county clerks for copying records. Any portion of the record so certified and attested shall prima facie import verity.

Section 19. The treasurer shall keep an accurate account of all money received or disbursed by the district, make periodic accountings and reports thereof as directed by the board of directors, make regular semiannual accountings, assist any auditors employed by the board to check the financial records of the district, sign all checks or vouchers of the district, deposit all funds received in any bank selected by the board, and perform all other functions as chief financial officer of the district as directed by the board. No check or voucher shall be valid until countersigned by the president of the board. The treasurer shall give a good and sufficient bond to the board for the faithful and honest performance of his duties and as security for all money coming into his hands or under his control. The cost of the bond shall be paid by the district.

Section 20. The board of directors may employ an attorney and a chief engineer for the district, who shall hold office at the pleasure of the board and who shall give such bond as is required by the board. The board may employ such other engineers, attorneys, agents and assistants as may be needed, and may prescribe the duties and fix the compensation of all the employes of the district. The board may maintain, furnish and equip an office or offices, and purchase such office supplies, equipment, apparatus, appliances, instruments and tools as are necessary, which, with all other necessary expenditures shall be taken as a part of the cost of maintaining and operating the flood control works. The employment of the engineer, attorney and other personnel for the district shall be evidenced on the minutes of the board, with their compensation, and their term of employment shall be at the pleasure of the board.

Section 21. All contracts for work, material or supplies that may exceed five hundred dollars shall be advertised for bids, not less than seven days before bids are to be received, by notice published once a week for two consecutive weeks (publication being complete on date of last publication) in at least one newspaper of general circulation within the district where the work is to be done or the materials or supplies used. The contract shall be let to the lowest and best bidder who shall give bond with approved and ample surety for the faithful per-

formance of the contract. The notice shall specify the general nature of the bid sought, the time and date bids are to be received, and where and how more specific information can be obtained. The contract shall be in writing, in duplicate, and shall be accompanied by or refer to plans and specifications for the work to be done, prepared by the chief engineer. The plans and specifications shall be made and considered a part of the contract. The contract shall be adopted by the board and signed by its president and by the contractor, and shall become a part of the records of the district.

Section 22. The board of directors may establish and maintain stream gages and rain gages, and may make such surveys and examinations of rainfall, stream flow and other scientific and engineering subjects as are necessary and proper for the purpose of the district. The board may issue reports of its findings.

Section 23. The board of directors, as soon as duly appointed and qualified, may levy an annual tax of not more than fifteen cents upon each one hundred dollars of assessed valuation of property within the district. This tax shall be certified to the county clerks of the various counties and by them to the respective treasurers of their counties. The tax shall be based upon the last preceding assessment for state and county purposes, its collection shall conform to the collection of taxes for counties, and it shall constitute a lien against the property subordinate only to state, county and city ad valorem taxes, and the same provisions concerning the collection of delinquent taxes for counties shall apply. The tax shall be added by the county clerk, as a separate item, to the next state and county tax bill following the levy of the tax by the board of directors, and shall be collected concurrently with the state and county taxes. Neither the county tax commissioner nor the county court clerk shall be entitled to any additional compensation for services rendered in connection with the listing of property for taxation nor shall the sheriff receive any additional compensation for the collection of the tax.

Section 24. The board of directors shall, by resolution, set aside from its annual tax revenue a proper and adequate amount

to be deposited into a depreciation fund, which fund shall be used solely for replacing capital equipment, new construction, extensions or additions to the flood control works. The remainder of its annual tax revenue shall be deposited into an operation and maintenance fund to be used solely for operating and maintenance expenses in connection with the flood control works. Money accumulated in the depreciation fund may be invested by the board of directors in the manner authorized by statute for other trust funds and the income from such investments shall be deposited into the depreciation fund.

Mr. Morgan moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Leonard T. Bean	Thomas L. Britton
Edgar Arnett	John D. Beatty	Charles J. Bronston
Sidney Baer	Fred Beshear	J. D. Buckman, Jr.
Clarence J. Barnum	R. O. Blevins	Mrs. M. E. Burnett
C. E. Baumgardner	L. E. Bradley	Charles W. Burnley

Alex Calvert	Paul S. Jonas	Carl J. Ruh
Stanley Carter	Barkley Jones	Amos Runyan
Paul Combs	William Jones	Dr. Roy Sanders
R. Josh Cosby	James W. Lambert	LeRoy Saylor
Owen Deering	Jesse H. Lawrence	Roy Searcy
G. I. Drury	Mrs. J. T. Linton	Paul E. Shannon
Thomas R. Duncan	Homer E. Losey	James S. Shaw
Mitchell S. Fannin	A. L. (Chick) Love	Gus Sheehan, Jr.
Henry C. Hale	Harry K. Lowman	Jesse H. Shelton
C. A. Hammons	True Mackey	Forest Smith
James P. Hanratty	Damon Majors	Joseph T. Snapp
George F. Harris	John Martin	John M. Spaulding
John A. Head	William T. Marshall	Roy Steers
Harold G. Helm	G. Lee McClain	Mrs. Thelma Stovall
William K. Henry	Jack McPherron	W. R. Stringer
E. R. Hilton	Alton Mitchell	Egbert V. Taylor
Ray Holbrook	Walter R. Moorman	M. G. Thompson
Woodrow W. Hollan	Fred H. Morgan	Rev. T. H. Tinsley
Chester J. Holsclaw	C. S. Nabb	Ralph N. Walter
W. M. Horn	Dr. C. E. Palmore	Fred M. Warns
Richard R. Houpt	James H. Polsgrove	Harry Lee Waterfield
Maurice G. Howard	Leonard W. Preston	Lyle H. Webb
Robert N. Hubbard	Hobart Rayburn	G. F. Williamson
Silas Jacobs	W. R. Reasor	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Morgan moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 436. AN ACT to repeal, amend and reenact Section 336.130, Kentucky Revised Statutes, 1948 (Fourth Biennial Edition), relating to employer-employee relations.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 336.130, Kentucky Revised Statutes, 1948 (Fourth Biennial Edition), be repealed, amended and reenacted so that when reenacted said section shall read as follows:

(1) Employees may, free from restraint or coercion by the employers or their agents, associate collectively for self-organization and designate collectively representatives of their own choosing to negotiate the terms and conditions of their employment to effectively promote their own rights and general welfare. Employees, collectively and individually, may strike, engage in peaceful picketing, and assemble collectively for peaceful purposes.

(2) Neither employers or their agents nor employees or associations, organizations or groups of employees shall engage or be permitted to engage in unfair or illegal acts or practices or resort to violence, intimidation, threats or coercion.

(3) The Commissioner or his deputies shall have the right to conduct elections to determine the collective bargaining representatives and to conduct said election on the employer's premises on reasonable notice to the employer, and to certify the results of said election to the employer and the collective bargaining representatives.

(4) Both the employer and the employees shall attempt in good faith to bargain collectively in carrying out the spirit of labor management relationship.

(5) The Commissioner is authorized and empowered to employ such additional assistants, deputies or employees as are necessary to properly carry out the terms of this section.

Mrs. Stovall moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Sidney Baer	Woodrow W. Hollan	W. R. Reasor
Clarence J. Barnum	Chester J. Holsclaw	Carl J. Ruh
C. E. Baumgardner	Richard R. Houpt	Amos Runyan
Fred Beshear	Maurice G. Howard	Dr. Roy Sanders
R. O. Blevins	Robert N. Hubbard	LeRoy Saylor
Edward O. Bridgers	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	Gus Sheehan, Jr.
Charles W. Burnley	Barkley Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	Joseph T. Snapp
Paul Combs	Homer E. Losey	John M. Spaulding
R. Josh Cosby	Harry K. Lowman	Raymond D. Stigall
Thomas R. Duncan	True Mackey	Mrs. Thelma Stovall
Mitchell S. Fannin	William T. Marshall	W. R. Stringer
Henry C. Hale	G. Lee McClain	M. G. Thompson
James P. Hanratty	Archie R. Moore	Rev. T. H. Tinsley
George F. Harris	Emmett G. Moore	Ralph N. Walter
Paul E. Hayes	Fred H. Morgan	Fred M. Warns
John A. Head	C. S. Nabb	Harry Lee Waterfield
Harold G. Helm	Dr. C. E. Palmore	Morris Weintraub
William K. Henry	James H. Polsgrove	G. F. Williamson
E. R. Hilton	Leonard W. Preston	Charles W. Wirsch
Ray Holbrook	Hobart Rayburn	

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Those who voted in the negative were—

Leonard T. Bean	Thomas L. Britton	C. A. Hammons
John D. Beatty	G. I. Drury	James W. Lambert

John Martin
Jack McPherron

Walter R. Moorman
James S. Shaw

J. Claude Stacy
Roy Steers

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 305. AN ACT relating to mines and minerals.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That sections 351.010, 351.020, 351.030, 351.040, 351.050, 351.060, 351.070, 351.080, 351.090, 351.100, 351.110, 351.120, 351.130, 351.140, 351.150, 351.160, 351.170, 351.180, 351.190, 351.240, 351.990, 352.010, 352.020, 352.030, 352.040, 352.050, 352.060, 352.070, 352.080, 352.090, 352.100, 352.110, 352.120, 352.130, 352.140, 352.150, 352.160, 352.170, 352.180, 352.190, 352.200, 352.210, 352.220, 352.230, 352.240, 352.250, 352.260, 352.270, 352.280, 352.290, 352.300, 352.310, 352.320, 352.330, 352.340, 352.350, 352.360, 352.370, 352.380, 352.390, 352.400, 352.410, 352.420, 352.430, 352.440, 352.450, 352.460, 352.470, 352.480, 352.490, 352.500, 352.510, 352.520, 352.530, 352.540, 352.550, 352.560, 352.570, 352.990 are hereby repealed.

Section 2. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.010, and to read as follows:

Definitions: mines governed by Chapter 351.

(1) As used in this chapter, unless the context requires otherwise:

(a) "Chief" means Chief of the Department of Mines and Minerals.

(b) "Department" means the Department of Mines and Minerals.

(c) "Operator" means an individual, firm, or corporation operating a coal mine or any part thereof.

(d) "Superintendent" means the person who, on behalf of the operator, has immediate supervision of one or more mines.

(e) "Mine Foreman" means the person who the operator or superintendent places in charge of the workings of the mine and of persons employed therein, and is hereby designated as the responsible official underground.

(f) "Mine" means a group or system of open cuts, stripping operations, shafts, slopes, tunnels, drifts, or inclined planes connected by one general system of transportation over which coal may be transported from the coal bed.

(g) "Commercial mine" means any coal mine from which coal is mined for sale or exchange.

(h) "Shaft" means a vertical opening through the strata that is or may be used, in connection with the mining of coal, for the purpose of ventilation, drainage, or hoisting men, coal or materials.

(i) "Slope" means an inclined opening used for the same purpose as a shaft.

(j) "Drift" means an opening through the strata, with opening grades such as to permit coal to be hauled by mules or mechanical traction power, and capable of being used for the purpose of ventilation, drainage, ingress, egress, and other purposes in connection with the mining of coal.

(k) "Gassy mine" means a mine in which methane has been ignited or has been found by means of a permissible flame safety lamp or by air analysis in an amount of 0.25 percent or more in any open workings. "Open workings" excludes boreholes, cracks, and small crevices.

(l) "Nongassy mine" means any mine not classified as a gassy mine.

(m) "Approved" means a device, apparatus, equipment, machinery or practices approved by the Chief of the Department of Mines and Minerals.

(n) "Approved safety lamps" means any bonneted lamp that bears the approval plate of the Federal Bureau of Mines and is approved by the Department of Mines and Minerals of this State.

(o) "Excavations and workings" includes all the excavated portions of a mine, whether abandoned or being worked, all underground workings, shafts, tunnels, ways and openings, whether completed or in the course of being sunk or driven, and all roads, appliances, machinery and material connected therewith below the surface.

(p) "Tipple" or "dumping point" means the tipple or structure where coal is dumped or unloaded from the mine car into railroad cars, trucks, wagons or other means of conveyance.

(q) "Permissible" means any equipment, device, or explosive that meets the requirements of the Federal Bureau of Mines and is approved for use by the Department of Mines and Minerals of this State.

(2) Except as the context otherwise requires, this chapter applies only to commercial coal mines.

Section 3. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.02ⁿ, and to read as follows:

Functions and Chief Officer of department.

(1) The Department of Mines and Minerals shall be headed by the Chief of the Department of Mines and Minerals.

(2) The department shall administer all laws of this state regulating the mining of coal.

Section 4. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.030, and to read as follows:

Hearings before department.

(1) The department may prescribe rules of procedure and for offering evidence in all matters brought before it, and shall prepare and, on request, furnish to applicants copies of forms of notices and other forms that the department requires to be used, and shall prescribe the manner of serving such notices.

(2) The department shall hold one or more hearings on each matter brought before it. All interested persons shall be given due notice and an opportunity to appear and offer evidence, and to make argument by counsel if desired. The department shall decide each matter in controversy in the manner that seems to it just and reasonable and necessary or desirable for the proper enforcement of KRS 352.510 or 353.050 to 353.130.

Section 5. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.040, and to read as follows:

Action to vacate order of department; appeal;

(1) Any party in interest dissatisfied with an order of the department may commence an equitable action against the department and other interested parties as defendants to vacate or set aside, in whole or in part, any such order. The action may be brought in the circuit court of the county where the subject matter involved in the order, or the well or workable coal bed or part thereof, is located, or in any other court of competent jurisdiction. The court may grant relief from any unlawful or unreasonable order of the department, and render such judgement as appears to it to be equitable and just.

(2) The pendency of the action shall not of itself suspend the operation of the order of the department, but during the pendency of the action any party may secure from the court an order suspending or staying the operation of the order of the department pending the action by giving to the other parties adequate security, approved by the court, against loss due to the delay in enforcement of the order, in case the order under review is not set aside, and the court may, without security being given, suspend the operation of the order, in whole or in part, on such terms as it deems just and in accordance with the practice of courts of equity. Provided, however, that the operation of an order pertaining to safety in coal mines shall not be suspended temporarily pending final decision of the courts.

(3) Appeals may be taken to the Court of Appeals as in other cases.

Section 6. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.050, and to read as follows:

Chief of department; appointment; term of office; oath; traveling expenses.

On July 13 of every fourth year, beginning with 1934, the Governor shall appoint a Chief of the Department of Mines and Minerals for a term of four years. The oath taken by the chief of the department shall be in writing and certified by the officer administering it, and the oath and certificate shall be filed in the office of the Secretary of State. In addition to his salary, the chief shall be paid his necessary traveling and other expenses incurred on account of and when engaged in the discharge of his official duties.

Section 7. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.060, and to read as follows:

Qualification of chief.

(1) The Chief of the Department of Mines and Minerals shall be a male citizen of Kentucky with at least fifteen years mining experience, ten years of which shall have been underground in coal mines of this state. He shall be thoroughly familiar with all methods of safety pertaining to the operation of mines.

(2) The chief shall have a practical knowledge of:

(a) The different systems of working and ventilating coal mines.

(b) The nature, chemistry and properties of noxious, poisonous and explosive gases, the dangers due to such gases and the prevention of such dangers.

(c) The dangers incident to blasting and the prevention of such dangers.

(d) The methods for the management and extinguishment of mine fires.

(e) The methods for rescue and relief work in mine disasters.

(f) The application of electricity in mining operations.

(g) The application of mechanical loading in mining operations.

(h) The equipment and explosives manufactured for use in coal mines.

(i) The mechanical features of mine scales and the methods used in properly inspecting and testing such scales.

(j) The methods used in locating oil and gas wells when drilled through any coal seam.

(k) The proper manner of drilling and plugging oil and gas wells.

(l) Mining engineering.

(m) The methods for the prevention of explosions in mines due to gas or dust.

(3) The chief shall be capable of efficiently reporting on any proposed development in mining operations or the possibility of operating any coal seam.

Section 8. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.070, and to read as follows:

Duties of Chief.

(1) The Chief of the Department of Mines and Minerals shall have full authority over the department and shall superintend and direct the activities of the district mine inspectors and other personnel of the department.

(2) He may, whenever necessary, divide the coal fields of the state into as many inspection districts as there are district mine inspectors, so as to equalize as nearly as practicable the work of each inspector, and shall assign to the inspectors their respective districts.

(3) He may, whenever he deems it necessary in the interest of efficient supervision of the mines, temporarily employ the services of two or more mine inspectors or change inspectors from one district to another.

(4) He shall superintend and direct the inspection of mines and cause to be investigated the character and quality of air in mines whenever conditions indicate the necessity of doing so.

(5) He shall collect statistics relating to coal mining in the state and make an annual report of such statistics.

(6) He shall see that maps, plans, projections and proposed developments of all coal mines are made and filed in his office.

(7) He shall keep a properly indexed, permanent record of all inspections made by himself and the personnel of the department.

(8) He shall exercise general supervision over the training of officials and workmen in safety, first aid, and mine rescue methods and may conduct demonstrations in safety whenever he deems it advisable.

(9) He shall exercise general supervision over the dissemination of information among officials and employees concerning mine ventilation, mining methods and mine accidents and their prevention, and shall assume full charge in the event of fire or explosion or other serious accident at any mine in the state.

(10) He may assist in the resumption of operations of any mine or gather data for the development of any coal seams that would be of any benefit to the state or create new employment.

(11) The chief of the department shall annually make a report to the Governor of his proceedings during the preceding calendar year. The annual report shall be prepared and printed as soon as possible after the close of the calendar year. The annual report shall cover the complete operation of the coal mines in this state during the preceding calendar year, enumerating all accidents occurring in or about any such mine during that year, and giving such other information as the chief deems useful, and making such suggestions as he deems important as to further legislation on the subject of mining.

(12) The chief shall keep and index a permanent record of all inspections made by himself and of all reports relating to inspections of mines furnished to him by district mine inspectors. All such records of the department of mines shall be public records and shall, at all times, be open to the inspection of the public, and shall be laid before the Governor of the state upon his request at any time.

The Department of Mines shall furnish certified copies of any such records, when requested to do so upon payment of such fee as is generally charged by courts of record for certified copies. Such fee shall be paid into the Treasury of the State.

Section 9. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.080, and to read as follows:

Offices of department and of district mine inspectors.

(1) Adequate offices shall be furnished the Department of Mines and Minerals by the State University of Lexington, and its main office shall be located there. The department shall have access to the facilities of the Mining Laboratory and Kentucky Geological Survey.

(2) The offices of the district mine inspectors shall be at such places within their respective districts as the chief of the department designates, and each district mine inspector shall be provided with a suitable office.

Section 10. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.090, and to read as follows:

District Inspectors and inspectors of mine weights; appointment; qualifications; salaries; oath and bond.

(1) The Governor shall appoint an adequate number of district mine inspectors to insure at least 4 inspections annually of all commercial coal mines in the state; one of the appointees shall be designated as an electrical district mine inspector. The Governor shall also appoint not more than 8 inspectors of mine weights. The term of office of each district mine inspector and each inspector of mine weights shall be during the period of capable, efficient service and good behavior.

(2) All district mine inspectors and inspectors of mine weights shall have a thorough knowledge of first aid and mine rescue and be able to instruct in first aid and mine rescue, shall possess thoroughly the knowledge required of the Chief of the Department by KRS 351.060, and shall have a thorough practical knowledge of mining gained by at least ten years' experience in

and about coal mines, at least five of which must have been underground in coal mines in this state.

(3) No person shall be appointed to the office of district mine inspector or inspector of mine weights until he has passed a satisfactory examination before the Board of Examiners. The chief of the Department of Mines and Minerals may recommend to the Governor applicants for district mine inspector and inspector of mine weights who have successfully passed the examination and are proved by worth, training and experience to be the most competent of the applicants.

(4) District mine inspectors and inspectors of mine weights shall be of good moral character and temperate habits and shall not, while holding office, act in any official capacity in operating any coal mine, nor shall he have any financial interest in any coal mine in the State.

(5) Each district mine inspector and each inspector of mine weights shall receive a salary of not less than five thousand dollars per annum, payable monthly, and shall be paid their necessary traveling and other expenses incurred on account of and when engaged in the discharge of their official duties. Salaries shall be determined by the chief of the department and approved by the Governor, and shall be based on the ability and experience of the inspector.

(6) Each district mine inspector and inspector of mine weights shall take oath, which shall be certified by the officer administering it. The oath, in writing, and the certificate shall be filed in the office of the Secretary of State.

(7) Each district mine inspector and inspector of mine weights shall give bond with surety approved by the Governor.

Section 11. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.100, and to read as follows:

Board of Examiners for district mine inspectors, inspectors of mine weights, mine foremen, and fire bosses.

(1) The board of Examiners for the certification of district mine inspectors, inspectors of mine weights, mine foremen, and fire bosses shall consist of the following members.

(a) The Chief of the Department of Mines and Minerals.

(b) One miner recommended by the miners' organization having the majority of members in the State, holding a mine foreman's certificate of the first class who has had at least 7 years of practical experience underground in the mining of coal, 4 years of which have been in the mines of this state, and who is actually employed in mining coal at the time of appointment; and

(c) One operator recommended by the operators of the state who at the time of his appointment is actually engaged in operating a coal mine in this state, and who holds a mine foreman's certificate of the first class and has had at least 7 years of practical experience underground in the mining of coal, 4 years of which have been in the mines of this state.

(2) Each member of the board except the chief shall be appointed by the Governor for a term of 4 years, and shall be compensated, while on duty status, at the rate of \$20.00 per diem plus necessary traveling and other expenses incurred on account of their official duties.

(3) The Chief of the Department of Mines and Minerals shall be chairman of the board and whenever it is necessary for him to be absent from any meeting of the board he may designate any member of his department to preside during his absence. A majority of the members shall constitute a quorum, with authority to transact business, hold examinations and issue certificates. The chairman shall keep a record of all proceedings of the board, including the names and addresses of persons who have been granted certificates and of those who have failed to pass the examination.

Section 12. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.110, and to read as follows:

Admission to examination; fee.

(1) The Board of Examiners shall not admit any applicant to take an examination given by it until the applicant has submitted to the Board a money order made payable to the State Treasurer in the amount of five (\$5.00) dollars.

(2) The board may refuse to examine any applicant who cannot readily understand the written English language or cannot express himself intelligently in English.

(3) Each applicant for a state mine inspector certificate shall be a citizen of the United States and a resident of the state of Kentucky. He shall not be under 28 years of age and have at least 10 years experience underground in coal mines, 5 years of which shall have been in the State of Kentucky.

(4) Each applicant for a mine foreman certificate shall be a citizen of the United States and a resident of the State of Kentucky, or employed at a mine in the State. He shall be not under 23 years of age and have at least 5 years experience underground in coal mines.

(5) Each applicant for a fire-boss certificate shall be a citizen of the United States and a resident of the State of Kentucky, or employed at a mine in the State. He shall be not under 21 years of age and have at least 3 years experience underground in the coal mines.

Section 13. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.120, and to read as follows:

Examinations and certificates.

(1) Each applicant for a state mine inspector certificate shall prove to the Board of Examiners by written and oral examination that he possesses the knowledge required of the chief of the department by subsection (2) of KRS 351.060.

(2) Each applicant for a first class mine foreman certificate shall prove to the Board of Examiners by written and oral examination and demonstration where applicable, that he has a thorough knowledge of the theory and practice of coal mining; of the nature and properties of noxious, poisonous, and explosive gases and methods for their detection and control; of the requirements of the state laws pertaining to coal mining; and of the responsibilities and duties of a mine foreman particularly with respect to the health and safety of the employees under his jurisdiction as required by state law.

(3) Each applicant for a second class mine foreman certificate shall prove to the Board of Examiners by written and oral

examination and demonstration where applicable, that he has a practical knowledge of the theory and practice of coal mining; of the requirements of the State laws pertaining to coal mining; and of the responsibilities and duties of a mine foreman, particularly with respect to the health and safety of the employees under his jurisdiction as required by State law.

(4) Each applicant for a fire boss certificate shall prove to the Board of Examiners by written and oral examination and by demonstration where applicable, that he has a thorough knowledge of the nature and properties of noxious, poisonous, and explosive gases and methods for their detection and control; of the practical aspects of coal mining especially pertaining to ventilation and roof control; and of the responsibilities and duties of a fire boss as required by state law.

(5) The Board of Examiners shall issue a certificate to each person who possesses the qualifications required by law for district mine inspector, inspector of mine weights, mine foreman, or fireboss; has passed the examination given by the board for that certificate; and who presents to the Board of Examiners satisfactory evidence, in the form of affidavits made by well known and responsible persons in the locality from which he came, that he is a man of sobriety and good moral character and has had the experience required by law.

(6) Persons possessing state mine inspector certificates, first class mine foreman certificates, or fire-boss certificates issued prior to the date of the passage of this act are not affected by this section. Persons who now possess second and third class mine foreman certificates may continue to act in the capacity of superintendent, mine foreman, or assistant mine foreman at mines of the class specified in their certificate, for a period of one year following the date of passage of this act.

(7) The certificates shall be kept on file in the mine office and shall be available for inspection by interested persons.

Section 14. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.130, and to read as follows:

Duplicate Certificates.

If any district mine inspector, inspector of mine weights, mine foreman or fire boss misplaces his certificate or it is de-

stroyed, he shall apply to the Chief of the Department of Mines and Minerals for a duplicate certificate, including with his application an affidavit stating in full how the certificate was destroyed or misplaced, and if the chief deems it proper he shall furnish the district mine inspector, inspector of mine weights, mine foreman, or fire boss with a duplicate certificate. Any person applying for a duplicate certificate shall pay a fee of two dollars to the Department of Finance.

Section 15. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.140, and to read as follows:

Personnel and general duties.

(1) Each district mine inspector shall devote his entire time and attention to the duties of his office which shall consist of the following:

(a) Inspect coal mines and aid, under the direction of the chief of the department, in carrying out and enforcing the provisions of the laws relating to the inspection of coal mines.

(b) Train officials and workmen in and about the mines in first aid, mine rescue, and accident prevention methods.

(c) Advise officials and workmen in methods pertaining to safety in all its phases and in methods pertaining to the prevention of mine fires and explosions.

(d) Take charge of mine rescue and recovery work whenever a mine fire, mine explosion or other serious accident occurs within his district and the chief is not present, and assist in such work in other districts when so directed by the chief.

(e) Reopen mines or portions of mines that have been sealed on account of fire or any other cause, when called upon by the owner or operator, or directed by the chief to do so.

(f) Inspect each mine in his district at least once every three months, or oftener, if practicable, while the mine is in operation, and wherever any danger to the workmen may exist. The inspector shall inspect the surface plant, every working place in the mine, all active haulageways and travelways, entrances to abandoned workings, accessible old workings, airways, escapeways, and other places where men work or travel or where dangerous conditions may exist, electric equipment and installations,

haulage facilities, first aid equipment, ventilation facilities, communication installations, roof and rib conditions, blasting practices, etc. He shall make tests for gas and oxygen deficiency in each mine and collect samples of mine air and mine dusts for chemical analysis if necessary to determine conditions with respect to gas and coal dust.

(g) Report each week in writing to the chief of the department the condition of each mine inspected by him.

(h) Deliver a copy of his inspection report on a mine to the operator or the superintendent of the mine inspected and another copy to the mine safety committee at such mine within 24 hours after the inspection is completed.

(i) Post a copy of the inspection report on a bulletin board at a prominent place on the premises where it can be conveniently read by the employees.

(j) File with the chief, within 15 days after the close of each calendar year, a report of his proceedings during the calendar year and give such information concerning the mines and mining conditions in his district as is appropriate and required by the chief.

(k) Proceed immediately to the scene of any mine accident in his district that causes loss of life or serious personal injury, make such investigation and suggestions and render such assistance as he deems necessary for the future safety of the employees, make a complete report thereof and forward it to the chief. The report shall be preserved with the other records in the office of the chief and in the office of the district mine inspector. To aid in making such investigations, the chief or the district mine inspector may compel the attendance of witnesses and administer oaths.

(l) Report immediately, upon being informed of a fatal mine accident in his district, to the appropriate district office of the mine workers' organization having jurisdiction at the mine, and provided further that the district president of the mine workers' organization or some person delegated by him and the mine safety committee at the mine involved shall be permitted to actively and fully participate in the investigation of any fatality and any hearings connected therewith.

(m) Order the withdrawal of men from any mine or part thereof in which in his opinion imminent or serious dangers exist.

(2) The superintendent of any mine or mines shall possess a first class mine foreman certificate; the duties of the mine operator and superintendent shall be as follows:

(a) Each superintendent shall, on behalf and at the expense of the operator, keep on hand at or within convenient distance of the mine a sufficient quantity of all materials and supplies required to preserve the safety and health of employees, as ordered by the mine foreman and required by law. If the superintendent cannot procure the necessary materials or supplies, he shall at once notify the mine foreman, who shall withdraw the men from the mine until the materials or supplies are received.

(b) The superintendent shall, at least once each week, read and examine carefully and countersign all reports entered in the mine record book of the foreman.

(c) The operator or superintendent shall cooperate with the mine foreman and other officials in the fulfillment of their duties under Chapters 351 and 352, and shall direct that the mine foreman and all other employees under him comply with the law, especially when his attention is called by the district mine inspector or by the chief of the department to any violations of the laws.

(d) The superintendent shall keep on hand at the mine a supply of the printed rules, notices and record books required by this chapter. The record books shall be furnished through the district mine inspector or through the chief of the department on written request of the operator or superintendent. The superintendent shall see that rules, notices and record books are delivered to the proper persons at the mine and properly cared for and that the rules and notices are posted in conspicuous places at or near the entrance to the mine and kept legible.

(e) For every fifty men and fraction thereof employed underground the operator of each mine shall keep on hand at the mine one properly constructed stretcher, one waterproof woolen blanket, and all other necessary equipment advised by the department.

(f) Each operator shall see that all employees receive the necessary first-aid training for the safety of themselves and their fellow workmen as recommended by the department and each employee shall accept the necessary training.

(g) The operator or superintendent of each mine shall give the chief of the department of at least ten days' notice of the following:

- (1) Abandonment of a mine.
- (2) Resumption of work in a mine after an abandonment or discontinuance for a period of two months or more.
- (3) Change in the operator or name of a mine.

(h) Each mine shall be inspected and approved by the Department of Mines and Minerals before operations are resumed after an abandonment or discontinuance for two months or more.

(i) The operator or superintendent of each coal mine shall annually not later than January 6, make or cause to be made an accurate map of the workings of the mine, on a scale of one hundred, two hundred, three hundred or four hundred feet to the inch, showing the area mined and the forms of the excavations up to January 1, together with the location and connection of the lines of all adjoining lands within one thousand feet of the excavations, and the name of each owner so far as known, marked on each tract. The operator or superintendent shall deposit a true copy of the map with the chief of the department within forty-five days after January 1, and another copy of the map shall be kept at the office of the mine.

(j) After making and filing the map with the chief, the operator or superintendent thereafter is only required to file annually with the chief, within the time specified, such additional map and statement as is necessary to show the progress of the workings, the amount and forms of excavations and the property lines within one thousand feet of the excavations extended since the date of the preceding map.

(k) The chief may, if he deems it advisable, require any operator or superintendent to furnish a map other than those required in subsections (i) and (j), and the operator or superintendent shall immediately comply with the requirement.

(l) The owner, lessee, or superintendent of each commercial coal mine shall give at the end of each month and at the end of each calendar year accurate information, on blanks furnished by the chief of the department, as to the number of accidents that have occurred, the number of persons employed, the tons of coal mined and any other information not of a private nature that the chief requests.

(m) The map kept on the surface at the mine shall be brought to date at least once every six months by an official survey of all mine workings. The map shall also show the direction of all air currents and location and condition of all escape-ways.

(n) Each operator or superintendent of a coal mine shall, before making any new or additional opening from the outside, submit to the chief of the department, for his information and approval, a map or plan showing the proposed system of ventilation and equipment of the openings, and their locations and relative positions to adjacent developments. No new or additional openings to any coal mine shall be made without the approval of the chief of the department.

(3) Each commercial mine employing more than (25) men during any 24-hour period and all gassy mines shall be supervised by a mine foreman who possesses a first class mine foreman certificate. Each non-gassy commercial mine employing (25) men or less during any 24-hour period shall be supervised by a mine foreman who possesses a first or second class mine foreman certificate. The duties of the mine foreman shall be as follows:

(a) The mine foreman shall exercise general supervision over the ventilating apparatus and the airways, traveling ways, working places, pumps and drainage, and shall see that as the miners advance their excavations proper breakthroughs are made as required by law to properly ventilate the mine. He shall see that employees are provided with sufficient props, cap pieces, and timbers of suitable size, which shall be delivered to the working place when requisitioned by the employees, and shall see that the props are cut as square as practicable at both ends and as near as practicable to the proper length required or designated for the places where they are to be used. The mine foreman shall see that the water is drained as nearly as practicable out of

the working places, and that the working places are kept as free from water as practicable during working hours. The owner, lessee, or operator of each mine shall see that the water drained from the mine is drained as directly as practicable to the adjacent streams or water-courses. He shall see that every person employed to work in the mine, is before beginning to work, instructed in the particular danger incident to his work in the mine and furnished a copy of the rules of the mine. He shall immediately report all violations of the mining laws to the operator or superintendent, who shall report the violations to the district mine inspector.

(b) The mine foreman or certified assistants shall visit and carefully examine each working place in the mine each day or oftener while the mine employees are at work. Such examinations at mines employing more than (25) men in any 24-hour period and at all gassy mines shall include tests with a permissible flame safety lamp for methane, noxious gases, and oxygen deficiency. He shall direct the miners so that each working place shall be secured by props or timbers where necessary. He shall examine as live workings, on regular inspections, all unfenced places in live sections that are temporarily abandoned. If the mine foreman or his assistants find any place to be in a dangerous condition, he shall not leave the place until work has been started under the direction of a competent person to make it safe, or until the employees working therein are removed. He shall see that the mine is kept free of standing gas in all working places and roadways, and that all accumulations of explosive or noxious gases in the worked-out or abandoned portions of unsealed areas of any mine are removed as soon as possible after discovery. He shall not allow any person who may be endangered by the presence of explosive or noxious gases to enter that portion of the mine until the gases have been removed, except those persons engaged in its removal. He shall direct and see that all dangerous places and the entrances to worked-out and abandoned places in the mine are properly fenced off across the openings, so that no person can enter, and that danger signals are posted upon the fencing to warn persons of existing danger. He shall give prompt attention to the removal of all dangers reported to him by his assistants, the fire boss or any person working in the

mine, and if it is impracticable to remove the danger at once he shall notify every person whose safety is menaced thereby to remain away from the portion where the dangerous condition exists. He or his assistants shall, at least once every week, travel and examine all the air courses, roads and openings that give access to old workings or falls, and make a record of the condition of all places where danger has been found. The record shall be made with ink or indelible pencil in the record book provided for that purpose.

(c) The mine foreman shall notify, in writing, the operator or superintendent of the mine of his inability to comply with any of the requirements of the mining laws, and the operator or superintendent shall at once attend to the matter complained of by the mine foreman so as to enable him to comply with the mining laws.

(d) The mine foreman shall each day enter and sign plainly with ink or indelible pencil, in a book provided for that purpose, a report of the condition of the mine. The report shall clearly state any danger that comes under his observation during the day or is reported to him by his assistants or by the fire bosses, and shall state whether or not there is a proper supply of material on hand for the safe working of the mine and whether or not the mining laws are being complied with. The mine foreman shall each day read carefully, and countersign with ink or indelible pencil, all reports entered in the record book of the fire bosses.

(e) When the mine workings become so extensive that the mine foreman is unable personally to carry out the duties required of him by law, the operator or superintendent shall employ a sufficient number of persons who possess a mine foreman certificate as required under this act, to act as assistants to the mine foreman and under his instructions. The mine foreman shall be responsible for their conduct in the discharge of their duties.

(4) Each commercial mine shall be examined by certified fire bosses whose duties shall be as follows:

(a) Examine each mine before other men are permitted to enter regardless of whether the mine is being operated or is idle.

(b) Begin the examination in the first working place in their assigned territory not more than 3 hours before the first shift

enters the mine; however, such examinations in multiple shift operations may be made by certified officials within 3 hours of the entrance of the next or succeeding shift, provided that in nongassy mines such examination need be made only before the first shift enters the mine.

(c) Visit every live working place in the mine; test with a permissible flame safety lamp for methane, noxious gases, and oxygen deficiency; examine seals and doors; test and inspect the roof, face, and rib conditions in all places examined including active roadways and travelways and approaches to abandoned workings; examine accessible falls in active sections for explosive gas and other hazards; be certain that the air is traveling in its regular course and required volume in each split; and place his initials and the date at or near the face of each place examined.

(d) Where dangerous conditions are found by the fire boss he shall danger off the place with an approved danger sign, and no one except an authorized person shall cross the danger sign and then only for the purpose of correcting the dangerous condition.

(e) Upon completion of his examination the fire boss shall report in person to a proper official on the surface any dangerous conditions found before the men enter the mine. He shall record in ink or indelible pencil the result of his inspection in a book kept on the surface for that purpose, and such record shall be made immediately after the examination is completed.

(f) He shall personally check each miner into the mine, advising each as to the condition of his working place and holding back any miner whose working place is in dangerous condition.

(g) The record books of the fire bosses shall at all times during working hours be accessible to the district mine inspector and to any interested employee of the company, or any representative of the miners' organization having jurisdiction at the mine. Each fire boss shall furnish the district mine inspector, once each week, a copy of such records which the district mine inspector shall preserve. Failure of the fire boss to furnish such copy to the district mine inspector, as aforesaid, shall subject the fire boss to the penalties provided in section 352.120 of the Kentucky Revised Statutes.

(5) Operators of electrical face equipment in gassy mines shall undergo and pass an examination to determine their fitness to detect explosive gas before they are permitted to have charge of electrical face equipment unless accompanied by a certified fire boss, or a person having passed such an examination. The examination shall be given by the district mine inspector; the forms used shall be furnished by the department. A copy shall be retained on file at the mine office and the original shall be sent to the department fully made out and signed by the applicant and by the district mine inspector. The duties of the operator of electrical face equipment employed in a gassy mine are as follows:

(a) He shall make a thorough examination of the working place for gas before electrical face equipment is moved or operated in by the last open breakthrough in the place where such equipment is to be used unless the examination is made by some other certified person. If any explosive gas is found in the place such equipment shall not be taken into or operated in the place until the gas is removed.

(b) He shall make an examination for gas, in a gassy mine, at not more than 10-minute intervals during the time electrical face equipment is in operation at the face. If gas is found he shall disconnect the power from such equipment, and leave it disconnected until the gas is removed and the place is reported safe by a certified official.

Section 16. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.150, and to read as follows:

Inspection of mine scales; fee

(1) The inspectors of mine weights shall inspect and test all scales, except railroad scales, used in connection with any commercial coal mine in this state, and shall determine their mechanical condition and accuracy. Each coal operator or superintendent shall render such assistance to the inspector of mine weights and other appliances that are needed for the proper inspecting and testing of scales. The inspector of mine weights shall leave a written record with the mine operator or superintendent as to the condition of the scales inspected and shall post in the weight office a record of the inspection of the scales: If upon inspecting and testing any mine scale the inspector

deems it necessary that the scale have any parts replaced, or that the scale be reconditioned or the foundation or building repaired or renewed, the operator or superintendent shall immediately comply with his recommendations.

(2) Each operator shall pay a fee of \$15.00 to the department for each mine scale inspection.

Section 17. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 351.160, and to read as follows:

Mine rescue divisions and stations; supplies and equipment.

The chief of the department shall partition the coal fields of the state into mine rescue divisions, of which there shall be at least two in the western coal field and at least four in the eastern coal field. In each division there shall be a station, the location of which shall be determined by the chief, and there shall be kept at each station apparatus, appliances and supplies for use in the work of rescue and relief upon the occurrence of explosions or mine fires, and for the training of officials and miners in mine rescue work. The chief shall provide each station and himself with the necessary instruments, appliances, apparatus, chemicals, and trucks, and shall designate one of the district inspectors to have charge of each station.

Section 18. A new Section of the Kentucky Revised Statutes is created, to be numbered KRS 351.170 and to read as follows:

Workmen's compensation.

The personnel of the Department of Mines and Minerals is subject to the provisions of the workmen's compensation laws of this state.

MINING REGULATIONS

Section 19—A new section of the Kentucky Revised Statutes is created, to be numbered 352.010, and to read as follows:

Definitions; mines governed by chapter 352.

(1) The definitions in KRS 351.010 apply also to this chapter, unless the context requires otherwise.

(2) Except as the context otherwise requires, this chapter applies only to commercial mines as defined in KRS 351.010.

Section 20—A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.020, and to read as follows:

Surface Regulations.

(1) Tipple and cleaning plant.

(a) In dusty locations, electric motors, switches, and controls shall be of dusttight construction unless they are in reasonably dusttight housings or enclosures.

(b) Structures shall be kept free as practicable of coaldust accumulations.

(c) Where coal is dumped at or near air intake openings, reasonable provisions shall be made to prevent the dust from entering the mine.

(d) Where repairs are being made to the plant, proper scaffolding and proper overhead protection shall be provided for workmen wherever necessary.

(e) Welding shall not be done in dusty atmospheres or dusty locations, and fire-fighting apparatus shall be readily available during welding.

(2) Lamp house

(a) Naphtha or other flammable liquids in lamp houses shall be kept in approved containers or other safe dispensers.

(b) Flame safety lamps shall be permissible and maintained in permissible condition. All flame safety lamps shall be checked by the persons using them, by a qualified lamp attendant, or by a fire boss, immediately before entering the mine.

(c) When not in service, flame safety lamps and electric lamps shall be under the charge of a responsible person.

(3) Stairways and platforms.

(a) Stairways, elevated platforms, and runways shall be equipped with handrails.

(b) Elevated platforms and stairways shall be provided with toeboards where necessary, and they shall be kept clear of refuse and maintained in good repair.

(4) Housekeeping.

Good housekeeping shall be practiced in and around mine buildings and yards. Such practices include cleanliness, orderly storage of materials, and the removal of possible sources of injury, such as stumbling hazards, protruding nails, and broken glass.

(5) Surface fire prevention.

(a) Oil, grease, and similar flammable materials shall be stored in closed containers, separate from other materials so as not to create a fire hazard to nearby buildings or mines. If oil or grease is stored in a building, the building or the room in which it is stored shall be of fire-resistive material, well ventilated, and not less than 100 feet from any mine opening. Tight metal receptacles shall be provided for oily waste.

(b) Smoking in or about surface structures shall be restricted to places where it will not cause fire or an explosion.

(c) Unless existing structures located within 100 feet of any mine opening are of reasonably fireproof construction, fire doors shall be erected at effective points in mine openings to prevent smoke or fire from outside sources endangering men underground. These doors shall be tested at least monthly to insure effective operation.

Section 21—A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.030, and to read as follows:

Roof-Control Regulations.

(1) Roof-Control system

Minimum standards for systematic roof-control suitable to the roof conditions and mining system of each mine shall be adopted. The minimum standards shall be complied with by workmen and officials, and additional supports shall be installed wherever it is necessary to afford adequate protection.

(2) Timber supply and timbering.

(a) At each mine, the management shall provide at or near the face workings an ample supply of timber and cap pieces or wedges of proper size with which to timber all working places in a safe manner.

(b) Safety posts, jacks, cross bars, or roof bolts shall be set close to the face, before other mining operations are begun, and as needed thereafter.

(c) All underground working places shall be secured sufficiently to protect employees working at the face from falls of roof, ribs, or face. Loose top and overhanging or loose faces and ribs shall be either timbered adequately or taken down.

(d) Timber removed by cutting-machine or loading machine operators or knocked out by blasting shall be replaced promptly.

(3) Testing of roof, ribs, and face.

(a) In mechanized mines where loading crews are supervised constantly, it shall be the duty of such supervisor to make roof, rib, and face examinations, to have corrected any unsafe condition, and to see that the timbering standards are followed; provided, however, that this section shall not be construed so as to compel any employee to work exposed to any condition that he deems to be unsafe.

(b) Face workers and other employees exposed to hazards from falls of rock and coal shall examine and test the roof, ribs, and face before starting work or before starting a machine and frequently thereafter. When dangerous conditions are found, they shall be corrected immediately by taking down loose material or by proper and adequate timbering before work is continued or any other work is done, or the place shall be abandoned until it is made safe.

(c) At least once each day, the mine foreman or certified assistants shall examine roof, ribs, and face of working places and passageways where men travel, for dangerous conditions. Where found, such dangerous conditions shall be corrected promptly by removing loose roof or rib or by adequate timbering. Such timbering shall conform to the clearance provisions hereinafter provided.

(d) When there is danger of coal rolling on a person during or after undercutting or center cutting, it shall be spragged by placing blocks in the cut or by blocking with leaning posts.

(4) Removal of timber.

In areas where timbers are being removed, persons engaged in drawing timber shall not be permitted to work alone.

Section 22—A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.040, to read as follows:

Explosives and Blasting Regulations.

(1) Surface magazines

(a) Separate surface magazines shall be provided for the storage of explosives, detonators, and Cardox heater elements.

(b) Surface magazines for storing and distributing high explosives in amounts exceeding 125 pounds shall be:

(1) Reasonably bulletproof and constructed of incombustible material or covered with the fire-resistive material. The roofs of magazines so located that it is impossible to fire bullets directly through the roof from the ground, need not be bulletproof, but where it is possible to fire bullets directly through them, roofs shall be made bullet-resistant by material construction, or by a ceiling that forms a tray containing not less than a 4-inch thickness of sand, or by other methods.

(2) Provided with doors constructed of 3/8-inch steel plate lined with a 2-inch thickness of wood, or the equivalent.

(3) Provided with floors made of wood or other non-sparking material and have no metal exposed inside the magazine.

(4) Provided with suitable warning signs so located that a bullet passing directly through the face of a sign will not strike the magazine.

(5) Provided with properly screened ventilators.

(6) Equipped with no openings except for entrance and ventilation.

(7) Kept locked securely when unattended.

(c) Surface magazines for storing black blasting powder, detonators, and Cardox heater elements need not be bulletproof, but they shall be in accordance with other provisions for storing high explosives.

(d) High explosives, black blasting powder, or Cardox heater elements in amounts of 125 pounds or less or 5,000 detonators or less shall be stored in accordance with preceding standards or in separate box-type magazines. Box-type magazines may also be used as distributing magazines when quantities do not exceed those mentioned. Box-type magazines shall be constructed strongly of 2-inch hardwood or the equivalent. Metal magazines shall be lined with nonsparking material. No magazine shall be placed in a building containing oil, grease, gasoline, waste paper, or other highly flammable material, nor shall a magazine be placed less than 20 feet from a stove, furnace, open fire, or flame.

(e) After the effective date of this act, explosives distributing magazines shall be not less than 100 feet from any mine opening or from any building used or occupied by any persons; and all magazines used for storing explosives in excess of an estimated daily supply shall be located not less than 500 feet from any mine opening or from any building used or occupied by any person or persons.

(f) The supply kept in distributing magazines shall be limited to an estimated 1 day's requirements, and such supplies of explosives and detonators may be distributed from the same magazine, if separated by at least a 6-inch substantially fastened hardwood partition or the equivalent.

(g) The area surrounding magazines for not less than 25 feet in all directions shall be kept free of rubbish, dry grass, or other materials of a combustible nature.

(h) If the explosives magazine is illuminated electrically, the lamps shall be of explosion-proof type, installed and wired so as to present minimum fire and contact hazards.

(i) Only nonmetallic tools shall be used for opening containers. Extraneous materials shall not be stored in an explosives or detonator magazine.

(j) Smoking, carrying smokers' articles, or open flame shall be prohibited in or near any magazine.

(2) Cardox charging station.

(a) A Cardox charging station shall:

(1) Be in a fireproof structure on the surface or isolated from other operations in the same building by a substantial fireproof partition.

(2) Be provided with at least two methods of relieving excess pressure in the storage tank. If one of these methods is a valve, the valve shall be tested monthly.

(3) Have a box-type magazine or equivalent for storing the daily supply of heater elements.

(3) Underground transportation.

(a) Permissible explosives or detonators carried underground shall be in individual containers constructed of substan-

tial nonconductive material, maintained in good condition, and kept closed.

(b) When explosives or detonators are transported underground by locomotives, rope, or shuttle car, they shall be in special covered cars or in special containers.

(1) The bodies and covers of special cars and the containers shall be constructed of nonconductive material.

(2) If explosives and detonators are hauled in the same explosives car or in the same special container, they shall be separated by at least a 4-inch substantially fastened hardwood partition or the equivalent.

(3) Permissible explosives, detonators, and Cardox shells shall not be carried on the same trip with workmen.

(4) Where quantities of explosives and detonators are transported in special cars or in special containers in cars, they shall be hauled on a special trip, not connected to any other trip, and shall not be hauled into or out of a mine within 5 minutes preceding or following a man-trip or any other trip. When traveling with the air current the explosives trip shall precede the man trip when traveling against the air current, the man-trip shall precede.

(c) Explosives and detonators shall be transported underground by belt only under the following conditions:

(1) In the original and unopened case, in special closed cases constructed of nonconductive material, or in suitable individual containers.

(2) Clearance requirements shall be the same as those for transporting men on belts.

(3) Suitable loading and unloading stations shall be provided.

(4) There shall be an attendant at loading and unloading points and stop controls at these points.

(d) Explosives or detonators shall not be transported on flight or shaking conveyors, or by scraper or mechanical loading machines.

(4) Underground storage.

(a) Where underground section boxes or magazines are used they shall be of substantial construction and placed in a

crosscut or idle room neck at least 25 feet from roadways or trolley wires and in a reasonably dry and well rock dusted place; the explosives and detonators shall be kept in separate boxes or magazines, or if kept in the same box they shall be separated by at least a 4-inch substantially fastened hardwood partition or the equivalent. Not more than a 48-hour supply of explosives, including any surplus remaining from the previous day, shall be stored underground in such boxes or magazines.

(b) Explosives and detonators kept near the working faces shall be stored in separate, closed containers of substantial non-conductive material located not less than 15 feet from rail or power lines, except that if kept in a niche in the rib, the distance shall be at least 5 feet, and in a location out of line of blast where they will not likely be subjected to shock.

(c) Explosives and detonators shall be kept in their containers until removed for use at the working faces.

(d) Only nonmetallic tools shall be used for opening containers underground.

(5) Blasting practices.

(a) In all mines, for the blasting of coal or other blasting operations, permissible explosives or permissible blasting devices shall be used. The use of permissible explosives shall comply with the following:

(1) Fired only with electric detonators of proper strength.

(2) Fired with permissible blasting units unless blasting is done from the surface.

(3) Boreholes in coal shall not be drilled beyond the back of the cut, nor into the solid rib, roof, or floor.

(4) Boreholes shall be cleaned and checked to see that they are placed properly and are of correct depth, in relation to the cut, before being charged.

(5) To prevent blow-throughs, all portions of the boreholes where the height of the coal permits, shall have a burden in all directions of at least 18 inches before being fired.

(6) Boreholes shall be stemmed with at least 24 inches of incombustible material, or the equivalent, or at least one-half of the length of the hole shall be stemmed if the hole is less than 4 feet in depth.

(7) In gassy mines examinations for gas shall be made immediately before and after firing each shot where on-shift shooting is done.

(b) Charges exceeding $1\frac{1}{2}$ pounds, but not exceeding 3 pounds, shall be used only if boreholes are 6 feet or more in depth and explosives are charged in a continuous train, with no cartridges deliberately deformed or crushed, with all cartridges in contact with each other, and with the end cartridges touching the back of the hole and the stemming respectively, and Class A or Class B permissible explosives are used. Provided however, that the 3-pound limit shall not apply to solid rock work such as solid rock tunnels, shafts, etc.

(c) Competent persons shall be designated to fire shots and they shall comply with the requirements of this act pertaining to blasting.

(d) Boreholes shall not be charged while any other work is being done at the face, and the shot or shots shall be fired by the person who examined and charged the hole or holes, before any other work is done.

(e) Only wooden tamping bars shall be used when charging holes.

(f) Leg wires of electric detonators shall be kept shunted or the ends twisted together until ready to connect to the firing cable.

(g) Shots shall not be fired from the power or signal circuit. Shots may be fired by means of a specially approved shot-fired circuit designed for blasting from the surface when all men are out of the mine.

(h) Roof and faces of working places shall be tested before and after blasting.

(i) Ample warning shall be given before shots are fired, and care shall be taken to ascertain that all persons are in the clear. Men shall be removed from adjoining working places when there is danger of a shot blowing through.

(j) Mixed charges shall not be charged or fired in any borehole.

(k) Adobe (mudcap) or other open, unconfined shots shall not be fired in any mine.

(1) The district mine inspector may prescribe the conditions under which solid shooting may be done in any mine.

(6) Blasting cables.

(a) Blasting cables shall be:

(1) Well insulated and as long as may be necessary to permit the shot firer to get in a safe place around a corner.

(2) Short-circuited at the battery end until ready to attach to the blasting unit.

(3) Staggered as to length or kept well separated when attached to the detonator leg wires.

(4) Kept clear of power wires and all other possible sources of active or stray currents.

(b) Power wires in face regions shall be deenergized during charging and blasting operations.

(c) Blasting cables with splices shall not be used.

(7) Misfires.

(a) Where misfires occur with electric detonators, a waiting period of at least 5 minutes shall elapse before anyone returns to the shot. After such failure, the blasting cable shall be disconnected from the source of power and the battery end short-circuited before electric connections are examined.

(b) Explosives shall be removed by firing a separate charge at least 2 feet away from, and parallel to, the misfired charge or by washing the stemming and the charge from the borehole with water, or by inserting and firing a new primer after the stemming has been washed out.

(c) A very careful search of the working place, and, if necessary, of the coal after it reaches the tippie shall be made after blasting a misfired hole, to recover any undetonated explosive.

(d) The handling of a misfired shot shall be under the direct supervision of a certified person.

(8) Cardox.

(a) The provisions governing the handling, storage, and transportation of explosives shall apply to the heater elements of Cardox blasting devices prior to their installation in the shells.

(b) Charged Cardox shells shall be transported underground in insulated cars or in insulated boxes placed in ordinary

mine cars and shall be stored on wooden racks, built for that purpose, in a crosscut or an idle room neck, at least 10 feet from power lines and haulage tracks.

(c) Where Cardox is used for blasting, the following shall apply:

(1) When Cardox is fired all persons in the vicinity, including the shot firer, shall be around a second corner or in an equally safe place.

(2) Blasting cables shall be as long as may be necessary to assure the safety of the shot firer, attached only after the charge has been placed in the borehole, and maintained in good repair.

(3) The charge shall be detonated with a permissible shot firing unit.

(4) Cardox shall not be shot off the solid, over heavy rock binders or shale, or in a "tight" shot.

(5) Cardox misfires shall not be approached until after the lapse of 15 minutes and shall be handled under the supervision of a foreman or other certified person. Misfired shells shall be bled off before removal from the hole, and shall be marked conspicuously upon removal from the hole.

(9) Airdox.

(a) Where Airdox is used for blasting or breaking down the coal, the following shall apply:

(1) Compressed air shall be conducted from the compressor to within a practical working distance of the face by steel air lines tested to withstand an approximate pressure of 20,000 pounds per square inch.

(2) Air lines shall be grounded at the compressor and, if possible, at other low-resistance ground connections along the lines, such as a borehole casing. They shall not be connected in any way to tracks, water lines, or other electric power return conductors and shall be suitably insulated where they cross electric wires or underneath the track.

(3) Unions shall be installed in steel air lines at not more than 1,000-foot intervals. Insulated couplings shall be installed at the inby end of such lines.

(4) Shut-off valves shall be installed every 1000 feet in all Airdox lines and, in all branch lines, at a point near the main lines.

(5) Airdox lines shall be protected at places where equipment passes over, under, or adjacent to them; they shall not be handled or repaired when air pressure is in the line.

(6) Air lines shall be examined periodically for kinks or other weaknesses and replaced immediately when defects are found.

(7) Copper tubing shall be coiled and uncoiled properly. The part of the tubing that is affected by frequent coiling and uncoiling shall be renewed periodically.

(8) Blow-down valves shall not be less than 45 feet from the face and shall be around a right angle.

(9) Holes for Airdox tubes shall not be on the solid.

(10) The Airdox tube shall be pushed to the back of the drill hole and then withdrawn 6 to 12 inches to form an air cushion.

(11) When blow-down valves are opened to discharge the Airdox tube, they shall remain open until time to place the tube in the next borehole.

(12) After the breaking down of the coal in any one place, the tube shall be disconnected at once from the air line and not reconnected until ready to be used in the next place.

(13) When an Airdox tube fails to discharge the line leading to the tube shall be disconnected at the blow-down valve and the tube shall be dragged by means of the line to an abandoned place marked with warning signs, and left for 12 hours before any repair work is done thereon.

(14) All persons shall be removed from adjoining working places where there is danger of breaking through and shall be at a safe distance around a right angle, while coal breaking is in progress.

Section 23—A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.050, and to read as follows:

Ventilation and mine gas regulations

(1) Main fans.

(a) Mines shall be ventilated by means of main fans which shall be installed on the surface in fireproof housings, situated not less than 15 feet from the nearest side of the mine opening, and be equipped with fireproof air ducts and ample pressure-relief or explosion doors. Provided that present fans that are offset any distance from the mine opening need not be moved if they otherwise comply with the provisions of this Section.

In lieu of requirements for the location of the fan and the pressure-relief or explosion doors, the fan may be directly in front of, or over, the mine opening, provided the opening is not in direct line with possible forces coming out of the mine if an explosion occurs, and provided further that there is another opening having a weak-wall stopping or explosion doors that would be in direct line with the forces coming out of the mine if an explosion occurs, such opening to be not less than 15 feet nor more than 100 feet from the fan opening.

(b) No main fan shall be allowed in any mine.

(c) Main mine fans shall be installed to permit the reversal of air flow, provided with a pressure-recording gage or water gage and, unless the fan is attended constantly, an automatic device to give alarm when the fan slows down or stops. This device shall be placed so that it will be seen or heard by a responsible person.

(d) The main fan shall be on a separate power circuit, independent of the mine circuit.

(e) Main-fan installations shall be protected from wood fire, grass fire, and rubbish for at least 100 feet in all directions from the fan installations.

(f) The fan shall be inspected daily and a record kept of the inspection, which shall be open for inspection by interested persons.

(g) If any accident occurs to the ventilating fan or its machinery, so that the ventilation of the mine will be seriously interrupted, the mine foreman shall order the men to withdraw immediately from the mine and shall not allow them to return until the ventilation has been restored and the mine thoroughly

examined by him, or by an assistant mine foreman or fire boss, and reported safe.

(h) Main fans shall be operated continuously except when the mine is shut down with all men out of the mine. In such event, after the fan has been started, the mine shall be examined for gas and other hazards by a certified examiner and made safe before men, other than the examiners, are permitted in the mine.

(2) Booster and auxiliary fans.

(a) After the effective date of this act, booster fans shall not be installed unless a permit has been granted by the chief of the department. In mines where such fans are now being used, their use may be continued, but they or any new installations shall be surrounded with safeguards as follows:

(1) The fan shall be powered with a permissible driving unit, the surroundings of the fan fireproofed, and the fan installed and located so as to prevent recirculation of air.

(2) Passageway by the fan installation shall be by means of the air lock, the doors of which shall have at least 30 square feet cross-sectional area and open automatically when the fan stops operating.

(3) In case of booster-fan stoppage, the procedure hereinbefore contained in this act with respect to stoppage of main fans shall apply to the section of the mine affected.

(4) Inspected at least twice each shift and provided with a signal light, audible signal, or attended constantly.

(b) After the effective date of this act, blower fans with tubing shall not be installed in a mine unless a permit has been granted by the chief of the department. In mines where such fans are now being used, their use may be continued, but they and any new installations shall be surrounded with safeguards as follows:

(1) The fan in a gassy mine shall be powered with a permissible driving unit.

(2) The fan shall be installed on the intake-air side of the entrance of the place to be ventilated not less than 16 feet from the nearest rib.

(3) The volume of air in which the fan is placed shall be at least 5 times the manufacturers' maximum rated capacity of the fan.

(4) The fan tubing shall be maintained in good condition. The discharge end of the tubing shall be kept within 20 feet of the face, and not more than 300 feet of the tubing shall be extended from the fan.

(5) Places in a gassy mine ventilated by means of blower fans shall be examined for methane by a certified person designated by the mine foreman before the fan is started at the beginning of the shift and after the interruption of fan operation for 5 minutes or more during the shift.

(6) Accumulations of methane shall not be moved by means of a blower fan and tubing; only line brattice shall be used for this purpose.

(7) The fan and tubing shall be inspected at least twice during each working shift.

(3) Volume of air.

(a) The main intake air current shall when necessary be divided into splits utilizing air crossings, where needed, so as to ventilate all parts of the mine effectively.

(b) The number of men in the same air current or split shall be limited to 60, provided that, in an emergency with the approval of the district mine inspector and the chief, the number may be increased to as many as 80 for a period not exceeding 30 days.

(c) The quantity of air reaching the last open breakthrough in any pair or set of entries shall not be less than 6,000 cubic feet a minute. Provided, however, that in nongassy mines that have been developed not more than 1,000 feet from the main intake air opening the quantity may be less than 6,000 cubic feet per minute at the discretion of the district mine inspector or chief of the department. The quantity of air reaching the last open break-through in any pair or set of entries in pillar sections may be less than 6,000 cubic feet a minute, provided that at least 6,000 cubic feet of air a minute is being delivered to the intake end of the pillar line. Mines now operating without the prescribed quantity of air in the last open break-through of each pair or set of entries may continue to operate in such manner for a period not exceeding six months.

(d) In gassy mines, haulage roads on which trolley equipment is operated shall be on intake air.

(e) The air current at working faces shall under any condition have a sufficient volume and velocity to dilute and carry away immediately smoke from blasting and any flammable or harmful gases.

(f) At least once each week, the mine foreman, his assistants, or other certified persons designated by the mine foreman, shall measure the volume of air near the main intake or main return, the amount passing through the last open breakthroughs of entries, and the volume of air in the intake and return of each split. A record of these measurements shall be kept in a book on the surface and shall be open for inspection by interested persons. On or about the first day of each month the owner, operator, or superintendent shall mail or cause to be mailed to the district mine inspector a true copy of the air measurements recorded in said book.

(4) Coursing of air.

(a) The main intake and main-return air currents in mines opened after the effective date of this Act shall be in separate openings.

(b) Battery-charging stations and transformer stations containing liquid-filled transformers shall be well ventilated by separate splits of air conducted through vents to the return air courses and returning direct to the surface. Transformer stations shall not be installed underground until the plans have been approved by the chief of the department.

(c) Changes in ventilation that may affect the safety of the men shall be made when the mine is idle and with no men in the mine, other than those engaged in changing the ventilation. Such changes shall be under the direct supervision of the mine foreman.

(d) No operator, superintendent or mine foreman shall permit any person to work at a place where sufficient ventilation cannot be maintained, except persons employed to make the places of employment safe in compliance with the requirements of this chapter, and while repair work necessary to comply with the requirements is in progress no person shall be permitted to enter that part of the mine affected except those actually employed in doing the repair work. Such repair work shall be done

under the constant supervision of a certified official designated by the mine foreman.

(5) Quality of air.

(a) Air in which men work or travel in mines shall be improved when it contains less than 20.0 percent oxygen, more than 1.0 percent carbon dioxide, or is contaminated with noxious or poisonous gases.

(b) If the air immediately returning from a split that ventilates any group of active workings contains more than 0.5 percent methane, the ventilation shall be improved.

(c) If the air immediately returning from a split contains 1 percent methane, the employees, except those necessary to correct the condition, shall be withdrawn from the mine or portion of the mine affected, and all power shall be cut off from said mine or portion of the mine, until such dangerous condition has been corrected.

(d) At working faces and other places where methane can be detected in an amount of 1 percent or more, blasting shall not be done and the men shall be removed from such working faces or places until such condition has been corrected.

(e) When the methane content of air in face operations exceeds 1 percent at any point not less than 12 inches from the roof, face or rib, as determined by a permissible methane detector, a permissible flame safety lamp, or by chemical analysis, the men shall be removed from the affected area until the condition has been corrected by improving the ventilation.

(6) Breakthroughs and stoppings.

(a) As working places advance, breakthroughs for air shall be made sixty feet apart, except where it is now permitted, with the approval of the district mine inspector and the chief of the department, to drive to ninety feet before making breakthroughs.

(b) Breakthroughs between entries shall be closed, except the last one in a pair or set of entries.

(c) Where necessary to obtain a movement of air to the face of a room to clear the room of flammable or noxious gases, breakthroughs between rooms shall be closed, except the one nearest the face.

(d) A breakthrough shall be provided at or near the face of each entry or room before the place is abandoned.

(e) Entries or rooms shall not be turned off an entry beyond the last breakthrough.

(f) On entries other than room entries, stoppings in breakthroughs between intake and return airways shall be built of substantial, incombustible material, such as concrete, concrete blocks, bricks, or tile.

(7) Doors and overcasts.

(a) Doors used on main entry or cross-entry (entries from which room entries are turned) haulage roads shall be in pairs to provide an air lock large enough to contain an entire trip; provided however, when only a single manually operated door is installed, such single door shall be attended constantly. Where air-lock doors are provided, there shall be sufficient leakage to prevent accumulations of methane between doors. Doors shall be hung so they close automatically when unobstructed.

(b) Doors shall be kept closed except when men or equipment is passing through the doorways. Motor crews and other persons who open doors shall see that the doors are closed before leaving them.

(c) Overcasts shall be constructed tightly of incombustible material, such as masonry, concrete, concrete blocks, or prefabricated metal, of sufficient strength to withstand possible falls from the roof, and be of ample area to pass the required quantity of air.

(8) Line brattice.

(a) Substantially constructed line brattice shall be used from the last open crosscut of an entry or room, when necessary to remove gases, explosive fumes, and smoke. When damaged by falls or otherwise, they shall be repaired promptly.

(b) The space between the line brattice and the rib shall be large enough to permit the flow of a sufficient volume of air to keep the working face clear of flammable and noxious gases.

(c) Flame-resistive material shall be used in the construction of line brattice.

(9) Old workings.

(a) The entrances to all abandoned workings shall be posted to warn unauthorized persons against entering the terri-

tory, and no person except persons authorized to make examination thereof, shall enter any unused or abandoned part of a mine, after such warning has been posted.

(b) Abandoned workings shall be sealed or ventilated.

(c) If abandoned workings are sealed, the sealing shall be done in a substantial manner with incombustible material. In every sealed area, one or more of the seals shall be fitted with a pipe and cap or valve to permit the gases behind the seals to be sampled and also to provide a means of determining any existing hydrostatic pressure. When deemed advisable by the chief of the department, drill holes shall extend from the sealed area to the surface or vent pipes shall extend from the sealed area to the return air course.

(d) In gassy mines air that has passed through or by abandoned sections or that has been used to ventilate pillar lines shall not be reused to ventilate live face workings.

(e) No person shall attempt to enter, explore, or survey an abandoned mine or portion thereof without the approval of the district mine inspector or the chief of the department.

(10) Examinations for gas and dangerous conditions.

(a) Any mine in which methane has been ignited or has been found by means of a permissible flame safety lamp or by air analysis in an amount of 0.25 percent or more in any open workings, shall be classed gassy.

(b) Not less than two permissible flame safety lamps in proper working condition shall be kept available at each mine for the use of authorized persons. Only permissible flame safety lamps, permissible methane detectors or air sampling and analysis shall be used for determining the presence of methane in mine air, and only persons qualified by law shall be allowed to use a flame safety lamp underground.

(c) At mines requiring officials to have first-class certificates, the officials whose regular duties require them to inspect working places shall have in their possession when underground, a lighted permissible flame safety lamp in safe working condition, to be used for the detection of methane and oxygen deficiency.

(d) Certified fire bosses shall make examinations of all mines before other men are permitted to enter, regardless of

whether the mine is being operated or is idle, and they shall begin their examination in the first working place in their assigned territory not more than 3 hours before the first shift enters the mine; however, such examinations in multiple-shift operations may be made by certified officials within 3 hours of the entrance of the next or succeeding shift; provided that in nongassy mines such examination need be made only before the first shift enters the mine.

(e) The duties of the fire boss shall be to visit every live working place in the mine; test with a permissible flame safety lamp for methane, noxious gases, and oxygen deficiency; examine seals and doors; test and inspect the roof, face and rib conditions in all places examined including active roadways and travelways and approaches to abandoned workings; examine accessible falls in active sections for explosive gas and other hazards; be certain that the air is traveling in its regular course and required volume in each split; and place his initials and the date at or near the face of each place examined.

(f) Where dangerous conditions are found by the fire boss the place shall be dangered off with an approved DANGER sign and no one except an authorized person shall cross the DANGER sign and then only for the purpose of correcting the dangerous condition.

(g) Upon completion of his examination, the fire boss shall report in person to a proper official on the surface any dangerous conditions found before the men enter the mine.

(h) The fire boss shall record in ink or indelible pencil the result of his inspection in a book kept on the surface for that purpose. Such record shall be made immediately after the examination is completed, and he shall personally check each miner into the mine, advising each as to the condition of his working place and prohibiting any miner whose working place is in dangerous condition from entering therein unless or until authorized by the foreman to do so.

(i) The record books of the fire bosses shall at all times during working hours be accessible to the district mine inspector, and to any interested employee of the company. Each fire boss shall furnish the district office of the department, once each week, by regular mail at company expense, a true copy of such

records which shall be preserved. Failure of the fire boss to furnish such copy to the district office, as aforesaid, shall subject the fire boss to the penalties provided in sections 352.110 and 352.120 of the Kentucky Revised Statutes.

(j) Idle and abandoned sections shall be inspected for gas and other dangerous conditions by a certified foreman or fire boss immediately before other employees are permitted to enter or work in such places.

(k) The working places in all mines shall be examined by a certified official for hazards at least once during each shift while the men are in the mines, or oftener if necessary for safety. Such examinations at mines requiring officials to have first-class certificates, shall include tests with a permissible flame safety lamp for methane, noxious gases and oxygen deficiency. Any dangerous condition found shall be corrected promptly.

(l) In gassy mines pillar workings shall be examined by a certified person for explosive gas and other dangers before a fall is purposely made. If methane is found in amounts that can be detected with a permissible flame safety lamp, the fall shall not be made until the gas is removed or other precautions shall be taken to safeguard all employees.

(m) At least once each week, air samples shall be collected for analysis or tests for methane shall be made in all mines with a permissible methane indicator or a permissible flame safety lamp by the mine foreman or other certified person designated by him, in the return of each split immediately outby the last working place, in the main return, pillar falls, seals, abandoned workings, and entrances thereto, and shall also make an examination for other dangerous conditions; leave his initials and date at the places examined and, if dangerous conditions are found, they shall be corrected promptly. A record of these tests and examinations shall be kept.

(n) The mine foreman shall read and countersign the record book of the fire bosses daily and read and countersign the daily and weekly reports of assistant foreman. Where such reports disclose any dangerous conditions or where dangerous conditions exist, prompt action shall be taken to have them corrected. The superintendent or official in charge of the mine shall

also read and countersign the daily and weekly reports of mine officials.

(o) All records of daily and weekly reports shall be open for inspection by interested persons.

Section 27—A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.060, and to read as follows:

Coal and rock dust regulations. •

(1) Control of coal dust.

(a) Coal dust shall not be permitted to accumulate excessively on roadways and along conveyor lines.

(b) Where mining operations raise an excessive amount of dust into the air, water or water with a wetting agent added to it or other effective methods shall be used to allay such dust at its source.

(2) Rock dusting.

(a) All mines, except those mines or those locations in a mine in which the dust is too wet or too high in incombustible content to propagate an explosion, shall be rock-dusted to within 40 feet of all active working faces, and all open breakthroughs within the 40-foot zone shall be rock dusted. However, if the dust in a mine or any part of it is wet but becomes dry, the mine so affected shall be rock-dusted as soon as it becomes dry.

(b) In mines rock-dusted partially or in mines that are required to start rock dusting, haulageways and parallel entries connected thereto by open breakthroughs shall be rock-dusted. Back entries shall be rock-dusted for at least 1,000 feet outby the junction with the first active entry. Inby this junction, the rooms, entries, and breakthroughs shall be rock-dusted by generalized rock dusting as provided for in the preceding section.

(c) Where rock dust is applied, it shall be distributed upon the top, floor, and sides of all open places and maintained in such quantity that the incombustible content of the mine dust will not be less than 65 percent.

Section 28. A new section of the Kentucky Revised Statutes is created, to be numbered 352.070, and to read as follows:

Transportation regulations

(1) Hoisting

(a) A qualified hoisting engineer shall be on duty continuously when men are underground at mines opened only by shafts,

or where men are transported in or out of mines by hoists.

(b) Hoists used for handling men on the surface and underground shall be equipped with overspeed, overwind, and automatic stop controls, unless a second engineer is on duty.

(c) At the beginning of each shift and after the hoist has been idle, the hoisting engineer shall operate the cages up and down the shaft at least one round trip before hoisting or lowering men. Similar procedure shall be followed in underground slope or surface incline hoisting, except that an attendant may ride on the trip.

(d) Underground slope, shaft, or surface incline-plane hoists shall be equipped with brakes capable of stopping and holding the fully loaded unbalanced cage or trip at any point in the shaft, slope, or on the incline. Free wheeling of drums shall not be allowed when men are being hoisted or lowered.

(e) An accurate and reliable indicator, showing the position of the cage or trip, shall be placed so as to be in clear view of the engineer, unless the position of the car or trip is clearly visible to the engineer at all times.

(f) Hoisting equipment shall be inspected daily and a record made of such inspection, which shall be open for inspection by interested persons.

(g) Hoisting ropes on all cages or trips shall be adequate in size to handle the load and have a proper factor of safety as defined in American Standards Association's Wire Rope Standards and shall be replaced when it shows more than six broken wires in any single pitch length or lay of rope.

(h) The rope shall have at least three full turns on the drum when extended to its maximum working length and shall make at least one full turn on the drum shaft or around the spoke of the drum (in case of a free drum) and be fastened securely by means of clamps.

(i) A hoisting rope shall be fastened to its load by a spelter-filled socket or by a thimble and clamps.

(j) No operator or superintendent of any coal mine worked by shaft, slope or incline shall place in charge of any engine or drum used for lowering or hoisting any persons employed in the mine any but competent and sober engineers or drum runners.

(k) No engineer in charge of such machinery shall allow any person except such as may be designated for this purpose by the operator or superintendent to interfere with any part of the machinery.

(l) No person shall interfere with or intimidate the engineer or drum runner in the discharge of his duties.

(m) In a mine worked by shaft, slope or incline no more than ten persons shall ride in any cage or car at one time, without the written approval of the district mine inspector and the chief of the department, and no person shall ride on a loaded cage.

(2) Cages, shafts and slopes.

(a) Cages used for hoisting men shall be of substantial construction; with adequate steel bonnets; with enclosed sides; with gates, safety chains, or bars across the ends of the cage when men are being hoisted or lowered; and with sufficient hand-holds or chains for all men on the cage to maintain their balance.

(b) The floor of the cage shall be constructed so that it will be adequate to carry the load and so that it will be impossible for a workman's foot or body to enter any opening in the bottom of the cage.

(c) Cages used for handling men shall be equipped with safety catches that act quickly and effectively in an emergency.

(d) Cages shall be inspected daily. A test of safety catches on cages shall be made at least every 2 months. A written record shall be kept of inspections and tests, which shall be open for inspection by interested persons.

(e) The speed of the cage or car when hoisting or lowering men in shafts or slopes or on incline planes shall not exceed 600 feet a minute.

(f) There shall be at least two independent methods of signaling, one of which shall be audible to the engineer, from all landings in shafts and slopes.

(g) An approved signal code shall be in use at each mine and shall be posted prominently in the engine room in easy sight of the engineer and at all regular signal stations.

(h) Workmen shall wear safety belts while doing repair work in or over shafts.

(i) When men are being hoisted or lowered at the beginning and end of each operating shift and when men are working

in the shaft, an attendant shall be on duty at each cage station where men are being handled.

(j) Shafts shall be equipped with self-closing or manually controlled safety gates at surface landings.

(k) Positive stop blocks or derails shall be placed near shaft surface landings.

(l) At the bottom of each hoisting shaft and at intermediate landings, a "run-around" shall be provided for safe passage from one side of the shaft to the other. This passageway shall be not less than 5 feet in height and 3 feet in width, and all employees when passing from one side of the shaft to the other shall use the passageway only.

(m) When the escape and fan shafts are combined, the side or end used for an escape outlet and the part used for ventilating purposes shall be separated by a good, substantial airtight fireproof partition from top to bottom and the shaft lining shall be of fireproof construction. Provided that this does not apply to shafts in use prior to the passage of this act.

(n) All shafts by which men enter or leave the mine and all passageways to escape outlets shall be carefully examined by the mine foreman, or by a person designated by him, at least once each week that the mine is operating, and the date and findings of the examination shall be entered in a book kept at the mine for that purpose.

(o) No person shall ride on any cage when coal, slate or other material is being raised or lowered.

(p) No person shall enter a cage at the bottom to be raised to the top during the running hours of the mine, or when leaving work at the close of the day's run, without first being authorized by the bottom man or cager to do so, the bottom man or cager having first signaled to the engineer that men are to be raised.

(q) Whenever the hoisting or lowering of men occurs before daylight or after dark, or when the landing at which men take or leave the cage is obscured by steam or otherwise, there shall be maintained at each landing a light sufficient to show the landing and objects in immediate proximity thereto, and as long as men are underground a good light shall be maintained at the bottom of the shaft, so that persons coming to the bottom may discern the cage and objects in the vicinity thereof.

(3) Haulage roads.

(a) The roadbeds, rails, joints, switches, frogs, and other elements of the track of all haulage roads shall be constructed, installed, and maintained in a manner consistent with speed and type of haulage operations being conducted to insure safe operation.

(b) Track switches, except room and entry development switches, shall be provided with properly installed throws, bridle bars, and guardrails; switch throws and stands, where possible, shall be placed on the clearance side.

(4) Clearance and shelter holes.

(a) Haulage roads on entries developed after the effective date of the act shall have a continuous unobstructed clearance of at least 30 inches from the farthest projection of moving equipment.

(b) On haulage roads where trolley lines are used, the clearance shall be on the side opposite the trolley lines.

(c) On the trolley-wire or "tight" side, there shall be sufficient clearance of at least 12 inches from the farthest projection of moving equipment.

(d) After the effective date of this act, all new sidetracks, partings, or entries equipped with more than one track shall have a clearance of at least 30 inches between the outermost projection of moving traffic.

(e) The clearance space on all haulage roads shall be kept free of loose rock, coal, supplies, or other materials, provided that not more than 30 inches need be kept free of obstruction.

(f) Ample clearance shall be provided at all points where supplies are loaded or unloaded along haulage roads or conveyors.

(g) Where it is necessary for men to cross conveyors regularly and where the width of conveyors or low roof introduces a hazard, suitable crossover bridges shall be provided.

(h) Shelter holes shall be provided along haulage entries driven after the effective date of this act where locomotive, rope, or animal haulage is used. Such shelter holes shall be spaced not more than 60 feet apart. Except where the trolley wire is 6½ feet or more above the rail or guarded effectively at the shelter

holes, they shall be on the side of the entry opposite the trolley wire.

(i) Shelter holes made after the effective date of this act shall be at least 5 feet in depth, not more than 4 feet in width, and 6 feet in height or as high as the traveling space, if the traveling space is less than 6 feet high. Room necks and break-throughs may be used as shelter holes even though their width exceeds 4 feet.

(j) Shelter holes shall be kept clear of refuse and other obstructions.

(k) Shelter holes shall be provided at switch throws, except where more than 6 feet of clearance is maintained, and at room switches.

(l) At each landing of a slope where men are passing and cars are handled, a shelter hole at least 10 feet deep, 4 feet wide, and 6 feet high shall be provided.

(m) No person shall travel on foot to or from work upon any slope used for haulage or upon any haulage road when other roads in proper condition for travel are available.

(5) Haulage equipment.

(a) Nonpermissible internal combustion engines or other machinery which gives off noxious fumes shall not be permitted underground in any coal mine.

(6) Safety devices and practices.

(a) Locomotives shall be equipped with proper devices for the re-railing of locomotives and cars.

(b) An audible warning device and headlights shall be provided on each piece of self-propelled mobile equipment used underground.

(c) Where hoists are used for handling men in underground slopes, in pitching beds, or on slopes between two or more beds, the provisions governing hoisting or haulage mentioned heretofore shall apply.

(d) A permissible trip light shall be used on the rear of trips pulled, on the rope end car of trips pulled up slopes, and on the front of trips lowered into slopes or pushed. Provided that trip lights need not be used during gathering operations at working faces.

(e) Pushing of cars on main haulage roads shall be prohibited, except where necessary to push cars from side tracks to producing entries, where necessary to clear switches and side tracks, and on the approach to cages.

(f) Back-poling shall be prohibited except at places where the trolley pole cannot be reversed or when going up extremely steep grades and then only at very slow speed.

(g) Other than the motorman and brakeman, no person shall ride on a locomotive, and no person shall ride on loaded cars or between cars of any trip; provided that the brakeman may ride on the rear of the last car of a pulled trip. Trip riders on rope haulage shall be subject to rules specified by the department.

(h) Motormen and brakemen shall not get on or off cars, trips, or locomotives in motion; provided that a brakeman may get on or off the rear end of a slowly moving trip to throw a switch or to close a door.

(i) All trips and all traffic equipment shall come to a complete stop before couplings are made by hand, unless a coupling hook is used.

(j) Standing cars on any track, unless held effectively by brakes, shall be properly blocked or spragged. Cars shall be secured effectively at working faces.

(k) On slopes and planes having a knuckle, there shall be a positive-acting stopblock, at or above the knuckle, and a derail.

(l) In each working place going to the dip or rise, a positive-acting stopblock, shall be used to prevent a runaway.

(m) When coal is not being loaded, but men are working at a room or entry face, a positive-acting stopblock or derail shall be placed across the room or entry track, or the room switch shall be kept closed to prevent cars from being inadvertently pushed or running into the places.

(n) Slides, skids, or other adequate means shall be used on descending trips on grades where the locomotive is not adequate to control the trip, and where practicable, a drag shall be used on all ascending trips.

(o) Material being hauled inside the mine shall be so loaded and protected that there is no danger to the motorman or brakeman from sliding of equipment and material.

(p) On all main haulage roads where hauling is done by machinery the mine foreman shall provide a proper system of signals.

(7) Transportation of men.

(a) Man-trips on the surface and underground shall be operated at safe speeds consistent with the condition of roads and type of equipment in use. Where controversy arises as to safe speed, the District Mine Inspector shall hold a hearing between the Mine Management and the Safety Committee and a safe operating speed will be established.

(b) Each man-trip on the surface and underground shall be under the charge of a responsible person and it shall be operated independently and not closer than 300 feet, or within the same block of the signal system, of any mobile track equipment.

(c) Surface or underground man-trip cars shall not be overloaded, and sufficient cars in good mechanical condition shall be provided.

(d) No person shall ride under the trolley wire on the surface or underground unless suitable covered man-cars are used.

(e) No material or tools shall be transported in the same car with men on any man-trip, and all persons shall ride inside of man-trip cars, provided that this shall not apply to the motorman or brakeman.

(f) Men shall not load or unload before the cars in which they are to ride or are riding come to a full stop, and men shall proceed in an orderly manner to and from man-trips.

(g) A waiting station shall be provided where men are required to wait for man-trips or man-cages on the surface or underground. It shall have sufficient room, ample clearance from moving equipment, and adequate seating facilities.

(h) Trolley and power wires shall be guarded effectively at man-trip stations where there is a possibility of any person coming in contact with energized electric wiring while loading or unloading from the man-trip on the surface or underground.

(i) Where belts are used for transporting men, a minimum clearance of 18 inches shall be maintained between the belt and the roof or cross bars, projecting equipment, cap pieces, overhead cables, wiring, or other objects; but where the height of the coal

bed permits, the clearance shall not be less than 24 inches.

(j) The belt speed shall not exceed 250 feet a minute while men are loading, unloading, or being transported.

(k) The space between men riding on a belt line shall not be less than 5 feet.

(l) Loading and unloading stations shall be illuminated properly.

(m) An official or some other person designated by the mine foreman shall supervise the loading and unloading of belts and man-trips on the surface and underground.

(n) The use of slides for lowering persons on slopes or incline planes is prohibited.

Section 29. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.080, and to read as follows:

Electricity regulations.

(1) Surface transmission lines.

(a) Overhead high-potential power lines shall be placed at least 15 feet above the ground and 20 feet above driveways and haulageways, shall be installed on insulators, and shall be supported and guarded to prevent contact with other circuits.

(b) Overhead power circuits shall be protected against lightning and voltage surges, and high-potential power lines shall be protected adequately by circuit breakers, fuses, or both.

(c) Electric wiring in surface buildings shall be installed so as to present minimum fire and contact hazards.

(2) Transformer stations.

(a) Unless surface transformers are isolated by elevation (8 feet or more above the ground), they shall be enclosed in a transformer house or surrounded by a suitable fence at least 6 feet high. If the enclosure is of metal, it shall be grounded effectively. The gate or door to the enclosure shall be kept locked at all times, unless authorized persons are present.

(b) Surface transformers containing flammable oil and installed where they present a fire hazard (near mine openings or in or near combustible buildings) shall be provided with means to drain or to confine the oil in event of rupture of the transformer casing.

(c) Transformers ordered after the effective date of this act, both permanent and portable, for use underground shall be air-cooled or nonflammable-liquid cooled.

(d) Permanent underground stations containing transformers filled with flammable oil shall be provided with door sills, or their equivalent, that will confine the oil if leakage or explosion occurs.

(e) Portable underground substations for transformers or other power conversion equipment shall be in fireproof housings. Where the installation contains transformers filled with flammable oil, means shall be provided to confine the oil in event of leakage or explosion.

(f) DANGER—HIGH VOLTAGE signs shall be posted conspicuously on all transformer enclosures, high-potential switchboards, and other high potential installations.

(3) Substations and switchboards.

(a) Surface and underground substations shall be kept free from refuse, and metal containers shall be provided for oily waste.

(b) Switchboards installed after the effective date of this act shall be located so that ample room will be provided between the switchboard and passageways or lanes of travel and shall have an entrance at each end to permit authorized persons to inspect, adjust, or repair apparatus back of the board. Switchboards shall have the entrance to the rear guarded against entrance of unauthorized persons, unless in a building that is kept locked.

(c) Switchboards shall be well lighted for switch operations in the front and for repair and maintenance in the rear.

(d) Rooms housing switchboards shall be free of debris and refuse.

(e) Pull switches and circuit breakers, or other power controls shall be mounted on slate or other suitable insulating material.

(4) Power circuits.

(a) High-potential power cables (600 volts or more) carried from the surface through shafts, boreholes, and underground passageways shall be adequate for the services intended, in-

stalled in a permanent manner, and guarded from mechanical injury.

(b) Power wires carrying less than 600 volts, whether bare or insulated, except ground wires and trailing cables shall be supported on or by well-installed insulators and shall not touch combustible materials, roof, or ribs.

(c) Power wires shall be insulated properly when passing through doors and stoppings, and where they cross other power circuits.

(d) Electric cables and wires, other than signal wires, and trolley wires used for haulage, installed in haulage slopes shall be buried not less than 12 inches below combustible material or installed in fireproof protective conduit.

(e) Where track is used as a power conductor:

(1) Both rails of main-line tracks shall be well bonded at every joint and cross-bonded at least every 200 feet; however, if the track circuit is paralleled with a feeder cable, both rails of the track shall be well bonded at every joint and cross bonds shall be installed at least every 1,000 feet in both the track and the feeder circuit.

(2) At least one rail on secondary haulage roads shall be well bonded at every joint and cross bonds shall be installed at least every 200 feet.

(3) Switches on entries shall be well bonded.

(f) Power shall be disconnected before repair work is to be done on energized electric circuits or energized parts of electric equipment, or employees required to make repairs on energized bare trolley lines shall wear protective clothing, such as insulated shoes and linemans gloves.

(g) Trolley wires and trolley feeder wire shall be installed as follows:

(1) On the opposite side of the entry from shelter holes and clearance space, except where 6½ feet or more above the rail.

(2) The hangers on curves shall be spaced so that the trolley wire may become detached at any one hanger without exposing the locomotive operator to a shock hazard.

(3) Alined properly and installed at least 6 inches outside the track-gage line.

(4) Provided with cut-out switches at intervals of not more than 2,000 feet and near the beginning of all branch lines.

(5) Kept taut and not permitted to touch the roof, rib, or crossbars; particular care shall be taken where they pass through door openings to preclude the possibility of bare wires coming in contact with combustible material.

(6) Guarded adequately where it is necessary for men to pass or work under them regularly, unless the wires are more than 6½ feet above the top of the rail. They shall also be guarded adequately on both sides of doors.

(7) Shall not extend beyond the last open breakthrough and shall be kept at least 150 feet from pillar workings.

(8) Anchored securely and insulated properly at the ends.

(9) Not in air known to contain 1.0 percent or more methane or in air returning from pillar recovery work or old workings where dangerous amounts of methane may be liberated suddenly.

(h) All power wires and cables in hoisting shafts or man-way compartments shall be properly insulated, substantially fixed and well protected.

(5) Grounding.

(a) Metal conduit and metallic coverings and armor of cables shall be grounded effectively and shall be electrically continuous to afford a conductor path for the ground circuit.

(b) Metallic frames, casings, and other electric equipment that can become "alive" through failure of insulation or by contact with energized parts shall be grounded effectively.

(c) Casings of transformers shall be grounded effectively unless protected by isolation (freedom from contact hazard by position).

(d) Mining equipment mounted on rubber tires or caterpillar treads, receiving power through a trailing cable, purchased after the effective date of this act, shall be grounded effectively.

(6) Circuit breakers and switches.

(a) Electric equipment shall be protected against excessive overload with fuses or equivalent protective devices of the

correct type and capacity. Wires or other conducting materials shall not be used as a substitute for properly designed fuses, and where circuit breakers are used, they shall be maintained in proper operating condition and adjusted so that equipment cannot be overloaded.

(b) Switches and circuit breakers shall be installed so that they are readily accessible and can be operated without danger of contact with moving or live parts.

(c) Disconnecting switches shall be installed in all main power circuits at the bottoms of shafts, boreholes, or other places where main power circuits enter the mine, and at all important sections in the mine.

(d) Underground electric equipment and circuits shall be provided with switches or other controls of safe design and construction, and they shall be installed in a safe manner.

(e) Power circuits shall be protected as far as possible against short circuit or excessive overload. Wires or other conducting materials shall not be used as a substitute for properly designed fuses; where circuit breakers are used they shall be maintained in proper operating condition.

(f) Dry wooden platforms, rubber mats, or other electrically non-conductive material shall be kept in place at each switchboard, powercontrol switch, and at stationary machinery where shock hazards exist.

(7) Telephone systems.

(a) Telephone service or equivalent communication facilities shall be provided at the bottom of each main shaft or slope and in all mines from the surface to the working sections of the mine, where the mine workings are 500 feet or more from the surface opening.

(b) Telephones lines, other than cables, shall be carried on insulators, installed on the opposite side from power or trolley wires, and where they cross power or trolley wires, they shall be insulated adequately.

(c) Telephone circuits on the surface shall be protected by lightning arresters.

(8) Signal systems.

(a) Signal wires shall be supported on insulators and insulated properly where they cross power lines.

(b) Bare signal wires that are readily accessible to personal contact shall not carry more than 30 volts. (This does not apply to block-signal systems.)

(9) Electric face equipment.

(a) All electric face equipment taken into gassy mines shall be permissible equipment approved by the United States Bureau of Mines, except that explosion-tested cable-reel locomotives and shuttle cars may be used. Provided, however, that nonpermissible face electric equipment now in use in gassy mines may be continued in use in such mines for a period not exceeding 10 years from the date of passage of this act.

(b) Permissible junction or distribution boxes shall be used for making multiple-power connections in working places or other places where dangerous quantities of methane may be present or may enter the air current, or power connections shall be made in intake air.

(c) Permissible equipment shall be maintained in a good state of repair and in permissible condition. Explosion-tested equipment shall be maintained in a good state of repair and in explosion-tested condition.

(d) No electrically driven equipment shall be taken into or operated in a working place where 1.0 percent or more methane can be detected at any point not less than 12 inches from the roof, face, or rib.

(e) In all face workings of gassy mines, inspections for methane shall be made before electric equipment is taken into or operated in face regions, and tests shall be made for methane at not more than 10-minute intervals while such equipment is operated in face regions.

(f) Electric drills or other electrically operated rotating tools intended to be held in the hands shall have the electric switch constructed so as to break the circuit when the hand releases the switch or shall be equipped with friction or safety clutches.

(g) Explosion-tested cable-reel locomotives in gassy mines shall be equipped with 2-conductor trailing cables.

(10) Trailing cables.

(a) All trailing cables purchased after the effective date of this act for use on electric mine equipment shall meet the

United States Bureau of Mines tests for flame-resistive qualities.

(b) Trailing cables shall be provided with suitable overload protection and power taps, unless properly connected to permissible junction or distribution boxes.

(c) The number of temporary, unvulcanized splices in a trailing cable shall be limited to four. The number of temporary, unvulcanized splices in a short hand cable shall be limited to one.

(d) Trailing cable splices shall be made in a workman-like manner, mechanically strong, and well insulated.

(11) Underground illumination.

(a) Electric light wires shall be supported by suitable insulators and fastened securely to the power conductors by means of clamps or the equivalent.

(b) Electric lights shall not be installed within 150 feet of pillar workings or advancing workings.

(c) Electric lights shall be installed so that they cannot come in contact with combustible materials.

Section 30. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.090, and to read as follows:

Mechanical Equipment Regulations.

(1) Face equipment:

(a) The cutter chains of mining machines shall be locked securely to prevent accidental movement while being trammed or when parked.

(b) Rock drilling with percussion drills shall be done wet, except as provided for in Section 352.110.

(2) Shop and other equipment.

(a) The following shall be guarded adequately:

(1) Gears, sprockets, friction devices, and couplings with protruding bolts or nuts.

(2) Shafting and projecting shaft ends that are within 7 feet of floor or platform level.

(3) Belt, chain, or rope drives that are within 7 feet of floor or platform.

(4) Fly wheels. (Where fly wheels extend more than 7 feet above the floor, they shall be guarded to a height of at least 7 feet.)

(5) Circular and band saws and planers.

(6) Repair pits. (Guards shall be kept in place when the pits are not in use.)

(b) Machinery shall not be repaired or oiled while in motion, unless such oiling can be done without danger to the oiler.

(c) A guard or safety device removed from any machine shall be replaced before the machine is put in operation.

(d) Mechanically operated grinding wheels shall be equipped with:

(1) Safety washers and tool rests.

(2) Substantial retaining hoods, the hood openings of which shall not expose more than 90° sector of the wheel.

(3) Eye shields, unless goggles are worn by the operators.

Section 31. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.100 and to read as follows:

Underground Fire and Disaster Regulations.

(1) Fire prevention and control.

(a) Each mine shall be provided with suitable fire-fighting equipment, adequate for the size of the mine, such as supplies of rock dust at doors and at other strategic places, water lines and hose, water or chemical trucks, and fire extinguishers.

(b) Clean dry sand, rock dust, or fire extinguishers, suitable from a toxic and shock standpoint, shall be provided and placed at each electrical station (substations, transformer stations, permanent pump stations) so as to be out of the smoke in case of a fire in the station.

(c) After every blasting operation an examination shall be made to determine whether fires have been started.

(d) Should a fire occur, the person discovering it and any persons in the vicinity of the fire shall make a prompt effort to extinguish it.

(e) If, or when, a fire has attained such proportions that an individual cannot extinguish it, he shall report immediately the existence of the fire to a certified official of the mine, who shall order all workmen from that part of the mine affected by the fire, except those needed for fire fighting.

(f) If the fire gets out of control, men shall be withdrawn and the part of the mine in which the fire is located, or the entire mine, as conditions may require, shall be sealed or flooded.

(g) The amount of oil or grease in a mine shall be limited to a one-day supply.

(h) All fire-fighting operations shall be under the direct supervision of the mine foreman pending arrival of the State mine inspector.

(i) Oil and grease, kept in face regions or other working places shall be in portable, closed, metal containers.

(j) Underground structures (transformer stations, battery-charging stations, motor-generator stations, foremen's stations, substations, permanent pump rooms, etc.) shall be of fireproof construction. Where the fire-proofing material is in contact with timber or coal, it shall not be of metal.

(k) Rheostats, electric heaters, and resistors shall be located a safe distance from combustible materials.

(l) Where practicable, power wires underground shall be deenergized on idle days and idle shifts.

(m) Underground stables shall not be permitted in any coal mine.

(n) Procedures to be followed in event of a mine fire or explosion shall be established.

(2) Mine disasters.

(a) Whenever fire, explosion or other accident in a coal mine or in the machinery connected therewith causes loss of life or serious personal injury, the superintendent of the mine, or if he is absent, the mine foreman in charge of the mine, shall immediately give notice forthwith to the district mine inspector and Federal coal-mine inspector, stating the particulars of the accident, and if anyone is killed thereby, to the chief of the department.

(b) After a disaster, when the mine has been placed in condition to operate, an inspection of such mine in its entirety shall be made by state coal-mine inspectors, and if such inspection discloses any serious dangerous conditions, the mine shall not resume operations until such conditions are corrected.

Section 32. A new section of the Kentucky Revised Statutes is created to be numbered KRS 352.110, and to read as follows:

Miscellaneous Regulations.

(1) Mine map.

(a) An accurate map of the mine, brought up to date at least every 6 months, shall be kept posted in a place accessible to employees.

(2) Approaching abandoned workings.

(a) Whenever any working place approaches within 100 feet of abandoned workings that cannot be inspected, boreholes shall be kept at least 12 feet in advance of the face, and 45° angle rib holes shall be drilled at least 15 feet deep and not more than 8 feet apart.

(3) Mine openings and escapeways.

(a) Every underground mine shall have at least two separate surface openings.

(b) Main slope or drift openings shall be separated by at least 50 feet of natural strata and shaft openings shall be separated by at least 100 feet of natural strata.

(c) New shafts and partitions therein, made after the effective date of this act, shall be fireproof. Buntons and guides may be of wood.

(d) Mine openings at isolated locations, where there is danger of fire entering the mine, shall have adequate protection against surface fires entering the mine.

(e) Not more than 10 persons shall be allowed at any one time in the mine until a connection has been made between the two mine openings, and work shall be prosecuted with reasonable diligence.

(f) When only one main opening is available, owing to final mining of pillars, not more than 20 persons shall be allowed in such mine at any one time.

(g) If any coal mine has but one means of ingress and egress for persons employed therein, and the owner does not own suitable ground for another opening, the owner may select appropriate adjacent ground for that purpose and have it condemned, by proceedings similar to those allowed for securing a private passway, in the county court of the county where the mine is situated.

(h) There shall be at least two separate and distinct travelable passageways, to be designated as escapeways, from each working section to the surface whether the mine openings are shafts, slopes, or drifts. They shall be kept in safe condition for travel and reasonably free from standing water and other obstructions. One of the designated escapeways may be the haulage road, provided, however, that one of the escapeways shall be ventilated with intake air. At mines now operating with only one free passageway to the surface, immediate action shall be taken to provide a second passageway.

(i) Where the designated escapeways are shafts:

(1) They shall be equipped with hoist and cage, or with travelable stairway, or ladders. No shaft more than 30 feet deep sunk after the effective date of this act shall be equipped with ladders.

(2) Stairways shall be of substantial construction, set at an angle not greater than 45° with the horizontal, and equipped on at least one side with a suitable handrail: landing platforms shall be at least 2 feet wide and 4 feet long and shall be railed properly.

(3) Ladders shall be anchored securely.

(4) Where ladders, or stairways set at an angle greater than 45° , are now installed, their use may be continued provided they are of substantial construction, with platforms at intervals of not more than 30 feet and equipped with a hand rail in the case of stairways.

(j) If a designated escapeway is a slope of not more than 45° , it shall be equipped with a stairway or adequate walkway with cleats. If the slope is more than 45° , stairways shall be installed.

(k) Direction signs shall be posted conspicuously to indicate manways and designated escapeways.

(4) Cap lamps and checking systems.

(a) In gassy mines, only permissible electric lamps shall be used for portable illumination.

(b) Each mine shall have a check-in and check-out system that will provide positive identification upon the person of every individual underground. An accurate record of the men in the mine, which shall consist of a written record, a check board, or a time-clock record, shall be kept on the surface in a place that will not be affected in the event of an explosion. Said record shall bear a number identical to the identification check carried by the person underground.

(5) Arcs, sparks, and flames.

(a) All persons in underground workings of a gassy mine are herewith prohibited from intentionally creating any arc, spark, or open flame, except those that cannot be avoided in the normal performance of work. The carrying of matches or other flame-making devices and smoking in a gassy mine shall be prohibited. In all gassy mines the operator shall, at frequent intervals, search or cause to be searched any person entering or about to enter the mine, to prevent such person from taking or carrying therein any flame making devices, smokers' articles, or intoxicants. All persons entering or about to enter any gassy mine shall submit to such search.

(b) Welding and cutting (with electricity or flame) shall be restricted to places where trolley locomotives are permitted, provided that where it is necessary to do welding and cutting in face regions, such work shall be under the direct supervision of a certified official, who shall test for gas before starting operations and frequently thereafter. In all welding and cutting operations, precautions shall be taken against starting a fire and the area shall be rock-dusted.

(6) Protective clothing.

(a) All persons shall wear protective hats while underground and also while on the surface where falling objects may cause injury.

(b) Protective footwear shall be worn by employees, officials, and others while on duty in and around a mine.

(c) All employees inside or outside of mines shall wear approved-type goggles where there is a hazard from flying particles.

(d) Welders and helpers shall use proper shields or goggles to protect their eyes.

(e) Employees engaged in haulage operations and other persons employed around moving equipment on the surface and underground shall wear snug-fitting clothing.

(f) Protective gloves shall be worn when material which may injure the hands is handled, but gloves with gauntlet cuffs shall not be worn around moving equipment.

(g) Men exposed for short periods to gas, dust, fume, and mist-inhalation hazards shall wear permissible respiratory equipment. When the exposure is for prolonged periods, other measures to protect workmen or to reduce the hazard shall be taken.

(7) *Conduct in mine; intoxication prohibited.*

No persons shall knowingly injure any shaft, lamp, instrument, air course or brattice, obstruct or throw open airways, disturb any part of the machinery or appliances, open a door used for directing ventilation without closing it afterwards, enter any part of a mine against caution, disobey any order given in carrying out any of the provisions of Chapters 351 or 352, do any act endangering the life or health of any person employed in the mine or endangering the security of the mine or enter or be about any mine while intoxicated or under the influence of alcohol.

(8) *Suspension of fire boss; revocation of certificate.*

Any fire boss who failed to perform his duties, or who makes a false report of the condition of any place in the portion of the mine allotted to him for examination, his name shall be given to the district mine inspector for prosecution. If he is found guilty, he shall return his certificate of qualification as fire boss to the Department of Mines and Minerals.

(9) *Revocation of mine foreman or fire boss certificate, and special examiner's permit.*

The Board of Examiners may revoke any mine foreman or fire boss certificate or special examiner's permit if it is established in the judgment of the board that the holder has become

unworthy to hold the certificate by reason of violation of law, intemperate habits, incapacity, abuse of authority, willful failure to comply with the instructions of the district mine inspector to obey the mining laws, or for other just cause. The certificate or permit holder against whom charges are made may appear before the board and defend against the charges, and shall have 5 days' notice in writing of the charges previous to the hearing.

(10) Mine rules.

(a) The operator of any mine may adopt special rules consistent with Chapters 351 and 352 for the government and operation of his mine, and covering all the work pertaining thereto in and out of the mine. Before the rules are put into effect they shall be approved in writing by the chief of the department. The rules, when adopted and approved in writing by the chief, shall be printed on cardboard in the language spoken by seventy-five percent or more of the employees at the mine, and shall be posted on a bulletin board or some other conspicuous place about the mine where they may be seen by the employees at the mine. When the rules are so adopted, approved, and posted, all employees at the mine shall be deemed to have notice thereof, and to have agreed thereto, and they shall obey the rules.

(b) The mine rules shall be printed in a form prescribed by the chief of the department.

(c) Each mine operator, when requested by an employee, shall furnish him a copy of the mine rules.

(11) *Inspection and closing of mines by department.*

(a) The operator or superintendent of every coal mine shall furnish the district mine inspector proper facilities for entering the mine and making examinations or obtaining information.

(b) The district mine inspector is hereby granted authority to order the withdrawal of men from any mine or part thereof in which dangerous or unlawful conditions exist. Provided that where conditions justify, he may grant a reasonable length of time for making repairs or for putting such mine in proper condition, but the number of men employed in the mine or in the part of the mine involved shall be limited to those necessary to correct the unsafe condition; and provided further, that where

any cessations of work are enforced, the inspector is hereby granted authority to allow such mine or part thereof to be reopened when the dangerous or unlawful conditions therein existing are removed or remedied so that they no longer exist.

(c) The owner or operator of any mine so closed may by petition apply to the circuit court of the county where the mine is located, or to the judge thereof in vacation, for an order directing the mine to be reopened, and the court or judge shall immediately hear and determine the matters arising upon the petition. If, upon full hearing thereof, the court or judge finds that the mine is in a reasonably safe condition, the prayer of the petition shall be granted; provided, however, that the operation of any order of the department pertaining to safety in coal mines shall not be suspended temporarily pending final decision of the court.

(d) Notice of the hearing shall be given to the district mine inspector and the chief of the department at least three days before the hearing, and in all such hearings the Attorney-General, the Commonwealth's attorney or the county attorney of the circuit court district or county in which the mine is situated shall appear for the state and defend the action.

(e) The district mine inspector is hereby granted authority to inspect any noncommercial mine, to prescribe suitable regulations governing the operation of such mine, and to order withdrawal of men from such mine in which dangerous conditions exist. The operator of such mine and persons employed therein shall comply with the orders and regulations of the district mine inspector; failure to comply makes the operator and employees liable to the penalties set forth in KRS 352.120.

(12) *Appeal by miners from inspection by district inspector.*

If a majority of the employees of any mine are dissatisfied with the inspection of the mine made by a district mine inspector, they may appeal in writing to the Department of Mines and Minerals, setting forth clearly and in detail the reasons for their dissatisfaction. The chief of the department shall carefully consider the appeal and promptly take action by ordering another inspection to be made by the district mine inspector, either alone or in company with another district mine inspector detailed by the chief for the purpose if that course appears to

him to be warranted by the facts set forth in the appeal, or the chief may take such other action as appears to him just and proper. The appeal shall be signed by the dissatisfied persons.

(13) *Procedure when no map filed or map incorrect.*

If the operator or superintendent of any coal mine fails to furnish to the chief of the department any map required by KRS 351.140 the chief may cause a correct survey and map of the mine or extensions thereof to be made at the expense of the owner, lessee or operator of the mine, and the cost of the map shall be recoverable from the owner, lessee or operator in the same manner as debts are recoverable by law. If at any time the chief has reason to believe that any map furnished under KRS 351.140 is materially incorrect, so that it will not serve the purpose for which it was intended, he may have a survey and map made or corrected, and the expense of making this survey, map or correction shall be paid by the owner, lessee, or operator of the mine, or recovered in the same manner as debts are recoverable by law; but if the map furnished by the operator or superintendent is found to be correct, the expense of the survey and drafting of the map shall be paid by the State.

(14) *Certification of map.*

(a) The correctness of each map provided for by KRS 351.140 or 352.110 shall be certified by the person making the map, as follows:

“I, the undersigned, hereby certify that this map is correct, shows to the best of my knowledge and belief all information required by the mining laws of this state and covers the period ending -----

----- Registered Engineer, (Ky). No.-----

“Acknowledged before me, a -----
this ----- day of -----”

(Engineer’s
Seal)

(b) The chief of the department may reject any map as incomplete if its accuracy is not so attested.

(15) *Duplicate maps; survey of abandoned or closed mine.*

(a) The chief of the department shall, upon the application of any owner, lessee, or operator, make or cause to be made, at the expense of the applicant, a duplicate of any map on file in his office of any mine owned, leased or operated by the applicant.

(b) No copy of such map shall be made without the consent of the owner, lessee or operator, except that when the owner of any land adjacent to or near the land of the owner, lessee or operator files an affidavit with the chief showing ownership of the adjacent or nearby land, and alleging that he believes that the owner, lessee or operator is encroaching upon or mining on his land, the chief shall cause to be furnished to the affiant, at the expense of the affiant, a duplicate of the map filed by the owner, operator or lessee.

(c) When any coal mine is worked out or is about to be abandoned, or indefinitely closed, the operator of the mine shall make or cause to be made a final survey of the mine, to show the entire worked-out area at the time the mine was abandoned or closed. The result shall be extended on the map of the mine previously made, and a copy of the survey shall be filed with the chief.

(16) *Mine not to extend within twenty-five feet of property line; liability for damages.*

(a) No owner or tenant of any land containing coal shall engage in mining within twenty-five feet of the line dividing the land owned or held by him from that of another person, without the written consent of every person interested in or having title to the adjoining land in possession, reversion or remainder, or the guardians of such of those persons as are infants. The owner or tenant must also have the written approval of the chief of the department.

(b) Any person who violates subsection (a) shall be liable in the sum of five hundred dollars to the persons injured, and the persons injured may also pursue all other remedies provided by law for the recovery of damages for injury to their property.

(17) *Rights of adjoining owners.*

(a) Each owner, tenant or occupant of land on which a coal mine is opened and worked, or his superintendent, shall

permit any person interested in or having title to any land adjoining the mined property to have ingress and egress with surveyors and assistants to explore and survey the mine at his own expense once a month for the purpose of ascertaining whether or not KRS 352.110 has been violated.

(b) Any owner, tenant, occupant or superintendent who refuses such permission shall be liable to the person so refused in the sum of twenty dollars for each refusal, to be recovered by action.

(c) If the right granted in subsection (a) is refused, complaint may be made before the county judge of the county in which the mine is located, and the judge shall issue a summons to the owner, tenant occupant or superintendent to answer the complaint. On the return of the summons executed, and proof that the complainant has right of entry and has been refused without sufficient cause, the judge shall designate an early and convenient time for the entry to be made, and issue an order commanding the sheriff of the county to attend and prevent obstructions and impediments to the entry, exploration and survey. The sheriff shall be allowed a fee of three dollars for attending the survey. The cost of summons and the fee of the sheriff shall be paid by the person whose refusal occasioned the complaint, unless the judge dismisses the complaint, in which case the party making the complaint shall pay the cost and sheriff's fee. Either party may appeal as in other actions.

(18) *Mining near oil or gas wells; hearing.*

(a) Before removing any coal or other material or driving any entry or passageway within five hundred feet of any natural gas or petroleum well, or before extending the workings in any coal mine beneath any tract of land on which such wells are also drilled, or within five hundred feet of any such well or under any tract of land in visible possession of a well operator, the coal operator shall forward simultaneously to the well operator and to the Department of Mines and Minerals, by registered mail, a copy of the maps and plans required by law to be filed and kept up to date, showing on the copy of the map or plan its mine workings and projected mine workings beneath the tract of land and within five hundred feet of its outer boundaries. The coal operator may then proceed with his mining oper-

ations in the manner indicated on the copy of the map or plan, but if the conduct of his mining operations nearer than five hundred feet to any such well, whether completed or being drilled, or to any proposed well where a derrick is being constructed for drilling, or proposed well, will endanger the use or drilling of the well, the well owner or operator affected may within five days from the receipt of the copy of the map by him and the department, file specific objections in writing to the mining operations within less than five hundred feet of the well, and if the objection is so filed the department shall notify the coal operator of the character of the objections and fix a time and place for a hearing not more than ten days from the the end of said five-day period. At the hearing the coal operator and the well operator, or such of them as are present or represented, shall proceed to consider the objections and agree upon the character and extent of operations to be conducted within less than five hundred feet of the well so as to satisfy the objections raised and meet the approval of the department and, if no agreement can be reached, the department, after a full hearing shall make a decision defining what coal, if any, is necessary to be left for the safe protection of the use and operation of the well. The decision shall be subject to appeal by either party as provided in KRS 351.040. The department shall keep a complete record of all such hearings.

(b) The coal operator shall, at least every six months, bring up to date the maps and plans required by this section or file new maps and plans complete to date.

(19) *Mine scales.*

(a) The operator or superintendent of each coal mine shall provide at the tippie or dumping point of the mine suitable and accurate scales for the weighing of coal for which the miners are to be paid, and when differences arise between the operator or superintendent of the mine and the miners as to the accuracy or capacity of the scales and such differences cannot be adjusted locally, the question shall be referred to the Department of Mines and Minerals. The department shall inspect and test the scales as early as practicable after receiving notification. If the inspecting officer of the department finds the scales inaccurate or defective beyond the limit permitted by the department,

he shall notify the operator or superintendent of the mine, and the scales shall immediately be repaired and made accurate or accurate scales substituted therefor. If the inspecting officer finds the scales to be weighing within the limits prescribed by the department, he shall so advise the operator, the superintendent and representative of the miners in a manner prescribed by the chief of the department.

(b) Where coal is loaded by mechanical means by the day or by the car, subsection (a) does not apply.

(c) No person shall tamper with any mine scale except to adjust the tare weights for the different types of mine cars and balance the scales.

(20) *Checkweighman.*

(a) When a majority of the miners in any mine request the operator of the mine to allow the miners to employ at their own expense a checkweighman to inspect the weights at the mine, and see that all coal mined is properly weighed and accounted for, and perform only such duties as will insure that the coal is properly weighed and correctly accounted for, the operator shall permit a checkweighman to be employed by the miners making the request, provided the person so employed has the reputation of being an honest, trustworthy, discreet, sober and upright man. The checkweighman shall be an employee of the mine, unless no employee is a suitable person, in which case the miners may, by agreement with the operator, elect some other person who is suitable. No checkweighman shall hold any other office or have any other duties than as checkweighman. The checkweighman shall be elected by a majority of the employees engaged in mining and loading coal and the election shall be properly conducted by secret ballot at the principal entrance to the mine. The election of each checkweighman shall be approved by the county judge of the county, on presentation of an affidavit stating that the checkweighman has been duly and properly elected in accordance with the provisions of this section.

(b) The checkweighman shall have free access to the mine scales while the mine is in operation or the scales are being tested. No agent or employee of the operator shall hinder or prevent the checkweighman in the

performance of his duties in a proper manner, and no checkweighman shall prevent the weighman or other employee of the operator from performing his duties in a proper manner.

(c) The operator or the superintendent shall see that cars are tared, in their usual running condition, at reasonable intervals.

(21) *Payment of miners.*

Any operator of a commercial mine shall, on or before the fifteenth and thirtieth days of each month pay to each employee, within fifteen days of the aforesaid fifteenth or thirtieth day, respectively, in lawful money of the United States, the full amount of wages due him, unless prevented by an unavoidable casualty. If, at any time of payment, the employee is absent from his place of labor he shall be entitled to such payment at any time thereafter on demand.

(22) *Coercion of trade of miners prohibited.*

(a) No person operating a commercial mine shall require any employee to deal with or purchase merchandise of any kind from any person or at any place.

(b) No such employer shall exclude from work, punish or blacklist any employee for failure to deal with or purchase merchandise of any kind from any person or at any place.

Section 33. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.120, and to read as follows:

Penalties.

(1) Any wilful neglect, refusal, or failure to do the things required to be done in chapters 351 and 352 of this act on the part of person or persons herein required to do them, or any violation of the provisions or requirements thereof, or any attempt to obstruct or interfere with any person in the discharge of the duties herein imposed upon him, or any refusal to comply with the provisions in chapters 351 and 352 of this act shall be punished by a fine of not less than twenty-five (\$25.00) dollars and not to exceed two hundred (\$200.00) dollars or by imprisonment in the county jail for a period not exceeding three (3) months, or both, at the discretion of the court.

(2) Any person who violates any of the provisions of KRS 352.110 Subsection 18 fixing the distances from wells within which mining operations may be conducted without the approval of the department, and any person who violates any of the terms of an order of the department allowing mining operations within a lesser distance of any well than that prescribed by law, shall be fined not more than two hundred (\$200.00) dollars or imprisoned for not more than twelve (12) months, or both.

Section 34. A new section of the Kentucky Revised Statutes is created, to be numbered KRS 352.130 and to read as follows:

The revised and current coal mining laws of the State of Kentucky shall be published by the department and made available without cost to all miners and operators in the State within six months of the date of passage of this act.

Section 35. In the event that any section of this act, any part or any paragraph of this act, any sentence of this act, any phrase of this act, or any word of this act is held invalid, all other parts of this act in toto shall be held valid and in full force and effect from and after its effective date.

Section 36. All acts and parts of acts in conflict herewith are hereby repealed.

Dr. Sanders moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and rejected.

The yeas and nays being taken thereon in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bill Adams	Paul S. Jonas	LeRoy Saylor
Sidney Baer	Barkley Jones	Paul E. Shannon
Clarence J. Barnum	Mrs. J. T. Linton	Gus Sheehan, Jr.
C. E. Baumgardner	Homer E. Losey	Forest Smith
Fred Beshear	William T. Marshall	John M. Spaulding
R. O. Blevins	Archie R. Moore	Mrs. Thelma Stovall
Charles W. Burnley	James H. Polsgrove	W. R. Stringer
Paul Combs	Leonard W. Preston	Harry Lee Waterfield
B. H. Crider	Carl J. Ruh	Morris Weintraub
Henry C. Hale	Amos Runyan	G. F. Williamson
E. R. Hilton	Dr. Roy Sanders	Charles W. Wirsch
Ray Holbrook		

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Those who voted in the negative were—

Bernam Adams	John A. Head	Emmett G. Moore
Edgar Arnett	Harold G. Helm	Walter R. Moorman
Leonard T. Bean	William K. Henry	Hobart Rayburn
John D. Beatty	Woodrow W. Hollan	W. R. Reasor
Edward O. Bridgers	Chester J. Holsclaw	Roy Searcy
Thomas L. Britton	W. M. Horn	Jesse H. Shelton
Charles J. Bronston	Maurice G. Howard	Joseph T. Snapp
J. D. Buckman, Jr.	Silas Jacobs	J. Claude Stacy
Mrs. M. E. Burnett	James W. Lambert	Roy Steers
Stanley Carter	Jesse H. Lawrence	Raymond D. Stigall
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
Owen Deering	Harry K. Lowman	M. G. Thompson
G. I. Drury	John Martin	Rev. T. H. Tinsley
Thomas R. Duncan	G. Lee McClain	Ralph N. Walter
Mitchell S. Fannin	Jack McPherron	Fred M. Warns
George F. Harris	Alton Mitchell	Lyle H. Webb
Paul E. Hayes		

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Mr. Maurice G. Howard arose to a point of personal privilege and stated that he had changed his vote from the affirmative to the negative on said bill for the purpose of reconsideration.

Mr. Maurice G. Howard then moved that said statement be spread at length upon the Journal.

Said motion was agreed to.

Mr. Hayes arose to a point of personal privilege and stated that he had changed his vote from the affirmative to the negative on said bill for the purpose of reconsideration.

Mr. Hayes then moved that said statement be spread at length upon the Journal.

Said motion was agreed to.

Mr. Waterfield arose to a point of information and requested the Speaker to rule as to the number of votes necessary to apply the clincher motion to said bill.

The Speaker ruled it would require a majority of the members voting.

Mr. Buckman moved that the vote by which said bill was rejected be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills which originated in that body of the following title, viz:

S. B. No. 166. AN ACT relating to wartime and national emergency laws; repealing statutes whose tenure was dependent on the existence of the war or emergency; amending statutes part of the provisions of which were dependent upon the existence of the war or emergency; making effective acts and amendments the effective date of which were made dependent upon the termination of the war or emergency.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Sections 39.010 thru 39.280, 134.035 thru 134.037, 141.225, 189.225, and 337.545 and subsection (7) of Section 281.020 of the Kentucky Revised Statutes are repealed.

Sec. 2. Section 4 of Chapter 208 of the Acts of 1948 is repealed and Section 186.420 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person need obtain an operator's license to operate a road roller, road machinery or any tractor or implement of husbandry temporarily drawn or propelled on the highways.

(2) Every person in the service of the Army, Navy or Marine Corps of the United States, when furnished with an operator's permit from the United States, shall be exempt from an operator's license when operating an official vehicle in the course of his service.

Sec. 3. Section 243.685 of the Kentucky Revised Statutes is amended to read as follows:

Alcohol or distilled spirits manufactured in or imported into the Commonwealth of Kentucky for industrial purposes as distinguished from beverage purposes, and under circumstances such as to render the same free from the payment of internal revenue taxes under the laws of the United States, shall be exempt from the manufacturing and import taxes imposed by subsections (1) and (2) (a) of KRS 243.680, subject to such regulations as the Department of Revenue may prescribe.

Sec. 4. Section 9 of Chapter 208 of the Acts of 1948 is repealed, and Section 186.600 of the Kentucky Revised Statutes is amended to read as follows:

No person under the age of eighteen shall drive a motor vehicle while it is in use as a school bus for the transportation of pupils to or from school, or drive a motor vehicle while it is in use as a public passenger-carrying vehicle.

Sec. 5. Section 189.180 of the Kentucky Revised Statutes is amended to read as follows:

Except as provided in KRS 189.235:

(1) No person shall operate on any highway any motor truck or semi-trailer truck whose height, including any part of the body or load, exceeds eleven and one-half feet. This does not require public authorities to provide vertical clearances to per-

mit the operation of vehicles with the height of eleven and one-half feet.

(2) No person shall operate on a highway any motor truck or semi-trailer truck whose width, including any part of body or load, exceeds ninety-six inches.

(3) No person shall operate on any highway any motor truck whose length, including any part of the body or load, exceeds twenty-six and one-half feet, nor any semi-trailer truck whose length, including any part of the body or load, exceeds thirty feet.

Sec. 6. Section 189.220 of the Kentucky Revised Statutes is amended to read as follows:

Except as provided in KRS 189.235, no person shall operate on a highway any motor truck or semi-trailer truck whose gross weight, including the load, exceeds eighteen thousand pounds.

Sec. 7. Section 7 of Chapter 153 of the Acts of 1944 is amended to read as follows:

This Act shall take effect on July 1, 1950.

Sec. 8. Section 243.120 of the Kentucky Revised Statutes is amended to read as follows:

A distiller's, rectifier's or vintner's license shall authorize the licensee to engage in the business of distiller, rectifier, or vintner at the premises specifically designated in the license and to transport for himself only any alcoholic beverage which he is authorized under the license to manufacture or sell. Such licensee shall transport alcoholic beverages only by a vehicle owned and operated by himself, which has affixed to its sides at all times a sign of form and size prescribed by the state board, containing among other things the name and license number of the license. No distilled spirits or wine shall be transported on the same truck or vehicle with malt beverages, except by a common carrier.

Sec. 9. Section 2 of Chapter 158 of the Acts of 1944 is amended to read as follows:

This Act shall take effect on July 1, 1950.

Sec. 10. This Act shall take effect on July 1, 1950.

S. B. No. 266. AN ACT relating to county police forces.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The County Courts of the respective counties which have established a county police force as provided for by KRS 70.540 may elect to establish and operate under a County Police Merit System providing for the holding of examinations as to the qualifications of applicants for County Police Officers within the provisions of this Act.

Sec. 2. The head of the County Police Force shall be the Police Chief, who shall be appointed by the County Court and shall hold office at the pleasure of the Court. The Police Chief shall be not less than thirty (30) years of age, shall be a citizen of the United States and a resident of the county and shall be selected on the basis of training, experience and qualifications for this position and preferably shall have had at least five (5) years' experience in public or police administration. The salary of the Police Chief shall be fixed by the County Court subject to the approval of the Fiscal Court.

Sec. 3. The County Police Force shall consist of the Chief, officers and employes, and shall be organized in such manner and into such divisions as the Chief shall from time to time determine. All persons appointed as County Police officers shall at the time of their appointment be:

(a) not less than twenty-one (21) years of age, the maximum age limit to be fixed by the Chief, and may vary as to commissioned and non-commissioned officers;

(b) of good moral character, and in good health;

(c) citizens of the United States and residents of the county from which they are appointed;

(d) high school graduates, or possess an education equivalent thereto. To meet such educational requirements, credit shall be given for experience in police administration or law enforcement. The Chief shall prescribe minimum physical requirements for appointment as an officer of the County Police Force, and shall conduct such tests and require such physical examinations

as may be deemed necessary in order to determine the fitness and qualification of each applicant. All other qualifications being equal, preference shall be given to veterans of World Wars I and II.

Sec. 4. The Chief shall appoint or promote to the ranks and grades of the County Police Force such officers and employes as are considered by him to be necessary for the efficient administration of the County Police Force. The officers and employes of the said Police Department shall receive such compensation as fixed by the County Court and approved by the Fiscal Court. Such compensation will include a reasonable allowance for necessary and required uniforms and equipment.

Sec. 5. The fiscal court may within their discretion provide for motor vehicles, stations, substations, places of detention, telephone, wireless, radio or other means of communication within their discretion and make appropriate levy and appropriations therefor, and may also, with the approval of the judge of the county court, direct the amount of bond to be required of each member of said county police force and may, in their discretion, provide for the payment of premiums on said bonds out of funds appropriated for said county police force.

Sec. 6. The said chief, and all other appointees assigned to patrol or police duties are hereby declared to be peace officers and conservators of the public peace whose duties are to conserve the peace, enforce all laws and preserve order and shall have and are hereby given the same right and the same power to arrest, search and seize as is now given by law to sheriffs of this Commonwealth, and they shall be at all times subject to the orders of the county court. Provided, however, that the members of said county police force shall not have power to serve subpoenas, summonses and notices in civil cases. The county police force shall constitute a law enforcement agency in addition to the patrol and investigation functions of the sheriff and his deputies under sections KRS 70.150 to 70.170.

Sec. 7. There shall be created a County Police Merit Board composed of the County Judge and two (2) reputable residents of the county, appointed by the County Judge, both of whom shall not be members of the same political party. One of said members

shall be appointed for a one (1) year term commencing with the first Monday of January of the year following the election of the county to operate under the merit system. The other member shall be appointed for a two (2) year term commencing the first day of January of such year. Thereafter said members shall each be appointed for two (2) year terms commencing at the expiration of the terms of the members first appointed. Said members shall serve without compensation.

Sec. 8. Subject to the approval of the County Police Merit Board, the Police Chief shall adopt, formulate, alter and repeal rules and regulations for the enlistment, examinations, training, discipline and conduct of officers of the County Police Force, for the selection and promotion of such officers on the basis of seniority of service, qualifications being equal, and he may make any other rules and regulations for the governing and operation of said County Police Force as shall appear to him reasonably necessary to carry out the provisions of this Act.

Sec. 9. All police officers when appointed shall serve a probationary period of one (1) year from the date of his original appointment. At any time during the probationary period any officer may be dismissed by the Chief of Police without the right of appeal or public hearing. A statement in writing of the reasons for such dismissal shall be made by the Chief of Police and lodged for record with the Clerk of the County Court.

Sec. 10. (1) After having served the full probationary period, no officer shall be removed, suspended or reduced in grade except for the hereinafter listed grounds nor except through the hereinafter specified procedure.

(2) The following as defined by the County Police Merit Board, shall be grounds for removal, suspension or reduction in grade of such officer:

- (a) Fraud in securing appointment.
- (b) Incompetency.
- (c) Inefficiency.
- (d) Inexcusable neglect of duty.
- (e) Physical or mental disability.
- (f) Insubordination.

- (g) Dishonesty.
- (h) Drunkenness on duty.
- (i) Addiction to use of narcotics or habit-forming drugs.
- (j) Inexcusable absence without leave.
- (k) Conviction of a felony or misdemeanor involving moral turpitude.
- (l) Discourteous treatment of the public or other employes.
- (m) Party political activity.
- (n) Wilfull disobedience.
- (o) Fostering of religious or racial prejudices.

(3) The Chief of Police shall affect the suspension, removal without pay or reduction in grade of such officer by an order in writing stating specifically the reasons therefor. If the order is for the dismissal of an employe it may provide for his immediate suspension from service without pay pending the completion of any hearing held thereon. Said order shall be filed with the Clerk of the County Court and a copy thereof shall be forthwith furnished to the person to be dismissed, suspended or reduced in rank. Within ten days of the receipt of a copy of such order, such officer may appeal therefrom to the County Court by filing a written reply with the Clerk of said court. Upon the filing of said appeal within said time, the Clerk of said Court shall forthwith transmit said order to the judge of the County Court and within twenty (20) days from the filing of said appeal, the Judge of the County Court shall commence the hearings thereof. The hearings shall be public and the appellant shall be entitled to appear personally, produce evidence and to have counsel. In addition thereto, the said officer shall have the right to subpoena in his behalf any witness or witnesses he may desire, upon furnishing the names to the Clerk of the County Court. The County Judge within a reasonable time after completion of the hearings shall make a decision as to whether or not the dismissal, suspension or reduction in rank was justified and if he finds that said action was not justified, he shall forthwith order the Chief of Police that the person named be restored to the office from which he was dismissed or to his former grade or to revoke his suspension. The said decision of the County Judge as to the dismissal, suspension or reduction in rank of any police

officer shall be final. Any employe not designated as a police officer may be discharged or suspended at any time by the Chief of Police and such employe shall hold office at the pleasure of the Chief of Police. Nothing contained in this Act shall prevent the reduction in the number of officers on the police force when lack of sufficient police duties or lack of sufficient funds in the County Police Budget require a reduction in force.

Sec. 11. This Act shall become effective on January 1, 1951.

S. B. No. 256. AN ACT relating to unemployment insurance.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Chapter 341 of the Kentucky Revised Statutes is repealed and re-enacted so that when re-enacted the same shall read and be numbered as follows:

CONSTRUCTION OF CHAPTER

341.005 *Department, Commissioner, Commission and Division.* As used in this chapter, unless the context clearly requires otherwise:

(1) "Department" means the Department of Economic Security;

(2) "Commissioner" means the Commissioner of Economic Security or his duly authorized representative;

(3) "Commission" means the Unemployment Insurance Commission; and

(4) "Division" means the Division of Unemployment Insurance in the Department of Economic Security.

341.020 *Fund, state, contributions and benefits.* As used in this chapter, unless the context clearly requires otherwise:

(1) "Fund" means the Unemployment Insurance Fund established by KRS 341.490, to which all contributions, and from which all benefits shall be paid;

(2) "State" includes, in addition to the states of the United States of America, Alaska, Hawaii, and the District of Columbia;

(3) "Contributions" means the money payments, exclusive of interest and penalties, to the Unemployment Insurance Fund required by this chapter and by any previous unemployment compensation law of this state; and

(4) "Benefits" means the money payments payable to a worker under this chapter and under any previous unemployment compensation law of this state with respect to his unemployment.

341.030 *Wages*. (1) As used in this chapter, unless the context clearly requires otherwise, and except as provided in subsections (2) to (7) of this section, "wages" means all remuneration for services, including commissions, bonuses, and the cash value of all remuneration in any medium other than cash. The reasonable cash value of remuneration in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the Commission.

(2) Amounts paid to traveling salesmen or other workers as allowance or reimbursement for traveling or other expenses, incurred on the business of the employing unit, constitute wages only to the extent of the excess of such amounts over such expenses actually incurred and accounted for by the worker to his employer.

(3) Gratuities and tips customarily received by a worker in the course of his employment from persons other than his employing unit do not constitute wages.

(4) "Wages" does not include the amount of any payment made to, or on behalf of, a worker under a plan or system established by an employing unit that makes provision for its workers generally or for a class of its workers, including any amount paid by an employing unit for insurance or annuities, or into a fund, to provide for any such payment, on account of:

(a) Retirement;

(b) Sickness or accident disability;

(c) Medical and hospitalization expenses in connection with accident or sickness disability; or

(d) Death, if the worker has not:

1. The option to receive, instead of provision for such death benefit, any part of the payment, or if such death benefit is insured, any part of the premiums or contributions to premiums paid by his employing unit, and

2. The right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of it either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employing unit.

(5) "Wages" does not include the amount of any payment made by an employing unit without deduction from the remuneration of the worker:

(a) Of the tax imposed under the Federal Insurance Contribution Act (53 Stat. Part I, sections 1400-1431); or

(b) Of any contributions required of a worker under this chapter.

(6) "Wages" does not include any dismissal payments which an employing unit is not legally required to make.

(7) "Wages" does not, for the purposes of KRS 341.260 to 341.290, include that part of remuneration which, after wages equal to three thousand dollars have been paid to a worker by a subject employer with respect to covered employment during any calendar year, is paid to such worker by such subject employer with respect to covered employment during such calendar year.

341.040 *Reserve account and annual payroll.* As used in this chapter, unless the context clearly requires otherwise:

(1) "Reserve account" means a separate reserve account maintained by the Division in the fund under KRS 341.530 and 341.540. No amount shall be considered to be in any reserve account on any date which has not been actually received by the Division by that date, and no benefit amount shall be considered to be deducted from the reserve account by any date for which a check has not been written and sent by that date.

(2) "Annual payroll" means the total amount of wages paid by a subject employer during a twelve-consecutive-month-period for covered employment.

341.050 *Covered employment.* (1) As used in this chapter, unless the context clearly requires otherwise and subject to the other provisions of this section, "covered employment" means service, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, express or implied in which the relationship of the individual performing such service and the employing unit for which such services are rendered is, as to those services, the legal relationship of employer and employee.

(2) "Covered employment" includes a worker's entire service performed within or both within and without this state if:

(a) The service is localized in this state; or

(b) The service is not localized in any state, but some of the service is performed in this state, and:

1. The base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in this state; or

2. The base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the worker's residence is in this state.

(3) Services not covered under subsections (1) or (2) of this section, and performed entirely without this state, with respect to no part of which contributions are required and paid under an unemployment compensation law of any other state or of the Federal Government, are covered employment if the worker performing them is a resident of this state and if the Commissioner approves the election of the employing unit for which they are performed that the entire service of such worker shall be deemed to be covered employment.

(4) Service shall be deemed to be localized within a state if:

- (a) The service is performed entirely within such state; or
- (b) The service is performed both within and without such state, but the service performed without such state is incidental to the worker's service within the state, for example, is temporary or transitory in nature or consists of isolated transactions.

(5) Unless the employing unit thereof has elected that such services become covered employment under the provisions of subsection (3) of KRS 341.250, "covered employment" does not include:

- (a) Agricultural labor;
- (b) Domestic service in a private home;
- (c) Service performed in the employ of this state, or any political subdivision thereof or of any of its municipalities;
- (d) Service performed in the employ of any other state or of any political subdivision thereof, or of the United States Government, and services performed in the employ of a corporation or agency created under an Act of Congress and engaged in the performance of a governmental function and the employees of which are compensated out of funds appropriated by Congress;
- (e) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an Act of Congress. The Commissioner may enter into agreements with the proper agencies under such Act of Congress to provide reciprocal treatment to workers who have, after acquiring potential rights to benefits under this chapter, acquired rights to unemployment compensation under such Act of Congress, or who have, after acquiring potential rights to unemployment compensation under such Act of Congress, acquired rights to benefits under this chapter;
- (f) Service performed by a worker in the employ of his son, daughter, or spouse and service performed by a child under the age of twenty-one in the employ of his father or mother;
- (g) Service performed in the employ of a corporation, community chest, fund or foundation, organized and operated ex-

clusively for religious, charitable, scientific, literary, or educational purposes or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation;

(h) Service performed as a student nurse in the employ of a hospital or a nurses' training school by a worker who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to the laws of this state; and service performed as an interne in the employ of a hospital by a worker who has completed a four years' course in a medical school chartered or approved pursuant to the laws of this state;

(i) Service performed by a worker for an employing unit as an insurance agent or as an insurance solicitor, if all such service performed by such worker for such employing unit is performed for remuneration solely by way of commission;

(j) Service performed by a worker under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution; or

(k) Service performed by a full-time student who is regularly attending classes at a school, college or university.

341.060 *Employing unit.* (1) As used in this chapter, unless the context clearly requires otherwise, "employing unit" means any individual or type of organization, including any partnership, association, society, trust, estate, joint-stock company, corporation, insurance company, whether any of these are domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, or this state or any department, division, administrative unit, political subdivision or municipality thereof, which has or subsequent to January 1, 1936, had one or more workers performing services for it within this state, or one or more workers performing services for it in covered employment in any state.

(2) All workers performing service within this state for any employing unit which maintains two or more separate establish-

ments within this state shall be deemed to be employed by a single employing unit for all purposes of this chapter.

341.070 *Subject employer.* As used in this chapter, unless the context clearly requires otherwise, "subject employer" means:

(1) Any employing unit which, in each of three calendar quarters in the preceding calendar year, had in covered employment four or more workers (whether or not the same workers), to as many as four of whom at least fifty dollars in wages was payable to each with respect to such covered employment in each such quarter.

(2) Any employing unit which for some portion of a day (but not necessarily simultaneously) in each of twenty different weeks (whether or not such weeks are consecutive) within either the current or the preceding calendar year, has or had in covered employment eight or more workers whether the same workers are or were employed in each such day).

(3) Any employing unit that succeeds to the organization, trade or business of another employing unit which at the time of such succession is a subject employer; and any employing unit which succeeds to the organization, trade, or business of any previously separate portion of another employing unit, which portion, if treated as a separate employing unit, would be, at the time of the succession, a subject employer under subsections (1) or (2) of this section.

(4) Any employing unit that succeeds to any of the assets of a subject employer's business by any means whatever, otherwise than in the ordinary course of trade, is a subject employer if:

(a) The transferee has continued or resumed the business of the transferor, either in the same establishment or elsewhere; and

(b) The transferee has employed substantially the same workers as those the transferor had employed in connection with the assets acquired; and

(c) The transferee has acquired a previously separate portion of the transferor's assets, which portion, if treated as a separate employing unit, would be, at the time of the succession, a subject employer under subsections (1) or (2) of this section.

(5) Any other employing unit which has elected to become subject to this chapter, pursuant to subsection (3) of KRS 341.250.

(6) Any employing unit which has in covered employment within this state workers subject to the Federal Unemployment Tax Act.

(7) Any employing unit which, having become a subject employer under subsections (1) to (6) of this section, has not ceased to be a subject employer under KRS 341.250.

(8) Notwithstanding the provisions of this section or any other provision of this chapter, no employing unit shall be initially determined a subject employer on the basis of covered employment performed more than six calendar years prior to the year in which such determination is made, unless the Commissioner can show that the records of such employment experience were fraudulently concealed or withheld for the purpose of escaping liability under this chapter.

341.080 *Year, quarter, week, and week of unemployment.*
As used in this chapter, unless the context clearly requires otherwise:

(1) Except in so far as the Commission by regulation prescribes the equivalent thereof to meet particular conditions:

(a) "Calendar year" means a year beginning on January 1; and

(b) "Calendar quarter" means three consecutive months beginning on January 1, April 1, July 1, or October 1.

(2) "Week" means such period of seven consecutive calendar days as the Commission by regulation prescribes.

(3) The term "week of unemployment" means any period of seven consecutive days, as prescribed by Commission regulations during which:

(a) The worker earned less than the benefit rate deter-

mined for him in accordance with the provisions of subsection (2) of KRS 341.380, and

(b) Less than twenty-four hours of suitable work were available to him; provided that for the purpose of this subsection any work performed by him shall be included in the computation of the number of hours of suitable work available to him.

341.090 *Base period, benefit year and base-period wages.* as used in this chapter, unless the context clearly requires other wise:

(1) "Base period" means the first four of the last five completed calendar quarters immediately preceding the first day of a worker's benefit year.

(2) "Benefit year" for any worker means the period of time beginning with the date as of which he first files a valid claim for benefits and ending one full year later, and thereafter, the period of time beginning with the date as of which he next files a valid claim for benefits after the termination of the last preceding benefit year and ending one full year later, except that any claim filed as of February 29 of any year shall be construed to have been filed as of February 28 of such year. As used in this subsection "valid claim" means any initial claim for benefits if the worker has satisfied the conditions required under subsection (5) of KRS 341.350.

(3) "Base-period wages" means the wages paid to a worker during his base period by subject employers for covered employment. The Commissioner may, with respect to this subsection, consider wages paid to mean wages payable in order to prevent inequities in particular cases.

341.100 *Suitable work.* (1) In determining for any purpose under this chapter whether or not any work is suitable for a worker the Commissioner shall consider, among other pertinent conditions, the degree of risk involved to his health, safety and morals; his physical fitness and prior training; his experience and prior earnings; his length of unemployment and prospects for securing local work in his customary occupation; and the distance of the available work from his residence.

(2) For the purpose of this chapter, no work shall be suitable and neither waiting period credit nor benefits shall be denied under this chapter to any otherwise eligible worker for refusing to accept new work or new conditions of work under one or more of the following:

(a) If the position offered is vacant due directly to a strike, lock-out or other labor dispute;

(b) If the wages, hours, or other conditions of the work offered are substantially less favorable than those prevailing for similar work in the locality;

(c) If, as a condition of being employed, the worker would be required to join a company union or to resign from or refrain from joining any bona fide labor organization;

(d) If the acceptance of such work would be prejudicial to the continuance of an established employer-employee relationship to which the worker is a party.

ADMINISTRATIVE ORGANIZATION

341.110 *Unemployment Insurance Commission; quorum, salaries.* (1) In the Department of Economic Security there shall be an Unemployment Insurance Commission composed of the Commissioner of Economic Security and two associate commissioners appointed by the Governor.

(2) The Commissioner shall represent the state and the public and shall be chairman of the Commission. One associate commissioner shall be appointed as a representative of labor and one as a representative of employers. The chairman and one other member of the Commission shall constitute a quorum.

(3) The associate commissioners shall be appointed on the basis of their merit and fitness to perform their duties and exercise the responsibilities of their offices. They shall be citizens of this state and not less than thirty years of age.

(4) The terms of each associate commissioner shall be for four years from the date of appointment and until a successor is

appointed and qualified, except that appointment to vacancies shall be for the unexpired term.

(5) The associate commissioners shall be paid from the Unemployment Compensation Administration Fund fees at the rate of twenty-five dollars each per day, plus necessary expenses while engaged in the discharge of their official duties, not exceeding total fees of four hundred dollars per month.

341.115 *Powers and duties of the Commission.* (1) The Commission shall have the power and authority to adopt, amend or rescind such rules and regulations as it deems necessary or suitable for the proper administration of this chapter, except that the Commissioner may prescribe regulations where the exigencies of the situation, in his judgment, requires their immediate prescription. The Commission shall determine its own organization and methods of procedure.

(2) General and special rules may be adopted, amended or rescinded by the Commission only after public hearing or opportunity to be heard thereon, of which proper notice has been given. General rules shall become effective ten days after filing with the Secretary of State and publication in the manner which the Commission prescribes. Special rules shall become effective ten days after notification of or mailing to the last known address of the individuals or concerns affected thereby. Regulations shall become effective in the manner and at the time prescribed by the Commission.

(3) The Commission shall serve as an appeals board to hear and decide appeals filed in accordance with the provisions of KRS 341.430 and shall adopt regulations governing the manner of filing appeals and the conduct of hearings and appeals consistent with the provisions of this chapter.

341.125 *Commissioner; powers and duties.* (1) It shall be the duty of the Commissioner to administer this chapter; and he shall have power and authority to make such expenditures, require such reports, make such investigations, and take such other action, not specifically assigned to the Unemployment Insurance Commission, as he deems necessary for the proper administration of this chapter.

(2) The Commissioner is authorized, subject to the provisions of KRS Chapters 12, 42, and 45, to appoint, fix the compensation and prescribe duties and powers of such officers and employes as may be necessary in the performance of his duties under this chapter. All positions shall be filled by persons selected and appointed on a nonpartisan merit basis. The Commissioner shall not employ or pay any person who is an officer or committee member of any political party organization. The Commissioner may delegate to any such person so appointed such power and authority as he deems reasonable and proper for the effective administration of this chapter.

(3) The salary and expenses of the Commissioner and his staff shall be considered a proper cost of the administration of this chapter, to be charged to the Unemployment Compensation Administration Fund in that proportion which the cost of such services rendered in the administration of this chapter bears to the over-all cost of the services rendered in the administration of the Department.

(4) The Commissioner shall submit to the Governor an annual report covering the administration and operation of this chapter and make such recommendations for amendments to this chapter as he deems proper.

(5) In the administration of this chapter the Commissioner shall cooperate to the fullest extent possible with any agency of this state or any other state or of the United States and take such action as may be necessary to secure for this state and citizens all the advantages available under the provisions of the Social Security Act as amended, Section 1601 of the Federal Unemployment Tax Act, and the Wagner-Peyser Act, as amended.

341.135 *Election of coverage.* (1) The Commissioner may elect coverage for the workers of the Department or any division or administrative unit thereof under subsection (3) of KRS 341.250 and the Workmen's Compensation Law of this state. In the event such coverage is elected the payment of contributions under KRS Chapter 341 and premiums under the Workmen's Compensation Law shall be deemed a proper cost of administration.

(2) If and when the Congress of the United States amends the Federal Social Security Act so as to extend its provisions to include state employes, the Commissioner may take such actions as are necessary to extend the benefits of such act to the employes of the Department or any division or administrative unit thereof. In the event of such extension the contributions required of the Department as the employer shall be deemed to be a proper cost of administration and the contributions required of the employes shall be withheld by the Department.

341.145 *Reciprocal arrangements.* (1) The Commissioner may enter into administrative arrangements with the agencies of other states or the Federal Government similarly charged with the administration of unemployment compensation laws, for the purpose of assisting the Commissioner and such agencies in the payment of benefits under the several laws. Such arrangements may provide that the respective agencies shall, for and on behalf of each other, act as agents in effecting registrations for work, notices of unemployment, and any other certifications or statements relating to a worker's claim for benefits, in making investigation, taking depositions, holding hearings, or otherwise securing information relating to benefits eligibility and payments; and in such other matters as the Commissioner considers suitable in effectuating the purpose of these administrative arrangements.

(2) The Commissioner may enter into arrangements with appropriate agencies of other states or the Federal Government whereby workers performing services in this and other states for a single employing unit under circumstances not specifically provided in KRS 341.050, or under similar provisions in the unemployment compensation laws of such other states, shall be deemed to be engaged in employment performed entirely within this state or within one of such other states.

341.150 *Publication of chapter.* The Commissioner shall cause to be printed for distribution to the public the text of this chapter, the commission's regulations and general rules, his annual report to the Governor, and any other material he deems relevant and suitable, and shall furnish the same to any person upon application therefor.

341.170 *Advisory councils.* The Commissioner shall appoint a State Advisory Council and may appoint local advisory councils, composed in each case of equal numbers of employer representatives and employe representatives who may fairly be regarded as representative because of their vocation, employment, or affiliations, and of such members representing the general public as the Commissioner designates. These councils shall aid the Commissioner in formulating policies and discussing problems related to the administration of this chapter and in assuring impartiality and freedom from political influence in the solution of such problems. The members shall serve without compensation, but shall be reimbursed for any necessary expenses.

341.180 *Employment stabilization.* Upon direction of the Governor, the Commissioner with the advice and aid of the advisory councils, shall take all appropriate steps to reduce and prevent unemployment; encourage and assist in the adoption of practical methods of vocational training, retraining and vocational guidance; investigate, recommend, advise, and assist in the establishment and operation by cities, counties, school districts and the state, of reserves for public works to be used in times of business depression and unemployment; and to promote the employment of unemployed workers throughout the state in every other feasible way, and to these ends to carry on and publish the results of investigations and research studies.

341.190 *Records and reports.* (1) Each employing unit shall keep true and accurate work records of all workers employed by it, of the wages paid by it to each worker, and such other information as the Commissioner considers necessary for the proper administration of this chapter. Such records shall be open for inspection and subject to being copied by the Commissioner or his authorized representatives at any reasonable time and as often as necessary.

(2) The Commission may require any employing unit to furnish to the Division at its central office from time to time information concerning the total amount of wages paid, total number of persons employed, an individual record of each worker employed, an individual record of each worker whose

employment has been terminated or who has been laid off, an individual wage and hour record of each worker employed part time entitled to benefits, and other related matters, including hours worked, which the Commission considers necessary to the effective administration of this chapter.

(3) All letters, reports, communications, and other matters, written or oral, from employer or worker, to the Commissioner or any of his agents, representatives, or employees, or to the Commission, or to any board or official functioning under this chapter, which have been written, sent or made in connection with the requirements and administration of this chapter, shall be absolutely privileged and shall not be the subject matter or basis for any suit for slander or libel in any court, but no employer or employee, or his representative testifying before the Commission, the Commissioner or any duly authorized representative thereof, shall be exempt from punishment for perjury. Information thus obtained shall not be published or be open for public inspection, except to public employees in the performance of their duties, in any manner revealing or indicating the employing unit's identity, but any claimant at a hearing before the Commission, the Commissioner or his duly authorized representative, shall be supplied with information from such records to the extent necessary for the proper presentation of his claim.

341.200 *Power to hear witnesses, issue subpoenas.* In the discharge of the duties imposed by this chapter members of the Commission, the Commissioner or any duly authorized representative thereof, may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda and other records considered necessary and relevant as evidence in connection with the administration of this chapter. Such subpoena shall be served in the same manner as a subpoena issued out of a circuit court. Witnesses subpoenaed shall be allowed witnesses' fees according to the rates prescribed by KRS 421.010 for each day their attendance is actually required at a hearing.

341.210 *Protection against self-incrimination.* No person shall be excused from attending and testifying or from produc-

ing books, papers, correspondence, memoranda or other records before the Commission or any member thereof, or the Commissioner or his duly authorized representative, on the ground that the evidence required of him may tend to incriminate or subject him to a penalty or forfeiture. No person shall be prosecuted or subjected to any suit, penalty, or forfeiture on account of any transaction, matter, or thing concerning which he or his agent or worker is compelled, after having claimed privilege against self-incrimination, to give evidence, except that such witness so testifying shall not be exempt from punishment for perjury.

341.220 *Cooperation with other agencies.* (1) In the administration of this chapter, the Commissioner shall:

(a) To the fullest extent consistent with the provisions of this chapter, cooperate with the Federal Bureau of Employment Security;

(b) Make such reports in such form and containing such information as such agency may from time to time require;

(c) Comply with such provisions as such agency may from time to time find necessary to assure the correctness and verification of such reports; and

(d) Comply with the provisions of Title III of the Social Security Act relating to the expenditure of such funds as may be allotted and paid to this state for the purpose of assisting in the administration of this chapter.

(2) Upon request therefor the Commissioner shall furnish to any agency of this or any other state or the United States charged with the administration of public works or assistance, through public employment or otherwise, the name, address, ordinary occupation and employment status of each recipient of benefits and such recipient's rights to further benefits under this chapter.

(3) The Commissioner may make records relating to the administration of this chapter available to the Railroad Retirement Board and may furnish the Railroad Retirement Board, at the expense of that board, as many copies thereof as the board requests.

(4) The Commissioner may afford reasonable cooperation with every agency of any state or of the United States charged with the responsibility of administering an unemployment insurance law.

341.230 *Destruction of records.* The Commissioner may authorize the destruction of such original reports and records as have been properly recorded and summarized in the permanent records of the Division or are no longer considered necessary for the proper administration of this chapter. Wage records of the individual worker or transcripts thereof may be destroyed or disposed of two years after the expiration of the period covered by them or upon proof of death of the worker. Such destruction or disposition shall be made only by order of the Commissioner. Any money received from the disposition of such records shall be deposited to the credit of the Unemployment Compensation Administration Fund.

341.240 *Unemployment Compensation Administration Fund.* (1) There is hereby created in the State Treasury a special fund to be known as the Unemployment Compensation Administration Fund. All money deposited or paid into this fund is hereby appropriated and shall be continuously available to the Commissioner for expenditure consistent with this chapter, and shall not lapse at any time. A general statement that all continuing appropriations are repealed shall not be construed as repealing this section.

(2) All money in this fund shall be expended solely to defray the cost of the administration of this chapter.

(3) The fund shall consist of all money appropriated by this state and all money received from the United States, or any agency thereof or from any other source, for the administration of this chapter.

(4) In order to establish and maintain free employment offices, the Commission may enter into agreements with the Railroad Retirement Board or any other agency charged with the administration of an unemployment insurance law, with any cities or other political subdivisions of this state or with any pri-

vate nonprofit organization. As a party to any such agreement, the Commission may accept money, service or quarters as a contribution to the Unemployment Compensation Administration Fund.

341.245 *Authority to acquire office space.* The Commissioner is authorized and empowered to use all or any part of the funds accumulated under the provisions of KRS 341.290 and KRS 341.295 for the purpose of acquiring suitable office space for the Division and the Department by way of purchase, lease, contract, or in any other manner including the right to use said funds or any part thereof to assist in financing the construction of any building erected by the Commonwealth or any of its agencies wherein available space will be provided for the Division and the Department under lease or contract between the Department and the Commonwealth or such other agency whereby said Department and Division will continue to occupy such space, rent free, after the cost of financing such building has been liquidated.

CONTRIBUTIONS

341.250 *Employer's coverage; period; termination; election of liability.* (1) Any employing unit that becomes subject to this chapter within any calendar year shall be considered a subject employer during the whole of that calendar year, except as specifically provided in subsections (3) and (4) of this section or elsewhere in this chapter.

(2) Except as provided in subsections (3) and (5) of this section, a subject employer shall cease to be a subject employer only as of the first day of January of any calendar year if he files with the Division, prior to the first day of March of that year, a written application for termination of coverage, and the covered employment performed for such subject employer within the preceding calendar year was not sufficient to render an employing unit a subject employer under subsections (1), (2), (3), (4) and (6) of KRS 341.070. The Commissioner may, however, after notifying such employer in writing at his last known address, terminate the coverage of any subject employer as of the first day of January of any calendar year if such subject employer has had no individuals in covered employment in this

state at any time during the three preceding calendar years, and the balance of such employer's reserve account may be immediately transferred to the pooled account.

(3) (a) Any employing unit not otherwise subject to this chapter that files with the Division its written election to become a subject employer for not less than two calendar years shall, with the written approval of such election by the Commissioner, become subject hereto to the same extent as all other subject employers, as of the date stated in such approval, but not with respect to the period previous to such date. Such subject employer shall cease to be subject hereto as of January 1 of any calendar year subsequent to such two calendar years, only if prior to March 1 of such year, it has filed with the Division a written notice to that effect.

(b) Any employing unit for which services that do not constitute covered employment are performed, may file with the Division a written election that all such services performed by individuals in its employ in one or more distinct establishments or places of business shall be considered to constitute covered employment by a subject employer for all the purposes of this chapter for not less than two calendar years. Upon written approval of such election by the Commissioner, such services shall be considered to constitute covered employment from and after the date stated in such approval, but not with respect to the period previous to such date. Such services shall cease to be considered covered employment subject hereto as of January 1 of a calendar year subsequent to such two calendar years, only if prior to March 1 of such year such employing unit has filed with the Division a written notice to that effect.

(4) An employing unit that becomes a subject employer under subsection (3) or (4) of KRS 341.070, shall become subject as of the date of acquisition.

(5) Notwithstanding the provisions of subsections (1), (2), and (3) of this section any subject employer whose entire reserve account has been transferred to a successor in interest as provided for in KRS 341.540 shall immediately cease to be a subject employer and shall thereafter become a subject employer only upon his future employment experience.

341.260 *Payment of contributions by employer.* Contributions shall accrue and become payable by each subject employer for each calendar year in which he is subject to this chapter. Such contributions shall be based upon wages paid during such calendar year for covered employment. Such contributions shall become due and be paid at the offices of the Division in Frankfort by each subject employer to the Division for the fund in accordance with such regulations as the Commission prescribes, and shall not be deducted in whole or in part from the wages of workers in his employ. In the payment of any contributions, a fractional part of a cent shall be disregarded, unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

341.270 *Determination of employer's contribution rate.*

(1) Each subject employer's contribution rate shall be two and seven-tenths percent except as otherwise provided in this section.

(2) For the year 1942 and for each calendar year thereafter the rate applicable to each subject employer shall be two and seven-tenths percent unless contributions were payable to his account with respect to the three consecutive years immediately preceding the computation date, and no subject employer's rate shall be less than two and seven-tenths percent unless funds were available throughout the preceding year, from which benefits could have been payable from his account, to any worker in his employ who became unemployed and eligible.

(3) For the year 1948 and each calendar year thereafter each subject employer's rate shall, except as provided in KRS 341.560, be determined upon the basis of his actual experience in the payment of contributions paid and credited to his reserve account and with respect to benefits charged against that account. If, as of the computation date, the balance of that account equals or exceeds five times the largest amount of benefits charged against it within any one of the three years last preceding the computation date, this contribution rate shall be:

(a) One and eight-tenths percent if such balance equals or exceeds three and thirty-three one-hundredths per cent but is less than four and eighteen one-hundredths percent of that part

of the payroll or payrolls by which contributions to that account were measured for the thirty-six months last preceding the computation date;

(b) Nine-tenths of one percent if such balance equals or exceeds four and eighteen one-hundredths percent but is less than five percent of that part of the payroll or payrolls by which contributions to that account were measured for the thirty-six months last preceding the computation date;

(c) Zero if such balance equals or exceeds five per cent of that part of the payroll or payrolls by which contributions to that account were measured for the thirty-six months last preceding the computation date.

(4) The Commission may by regulation prescribe the computation date for determining rates applicable to any calendar year. "Computation date" means the date, occurring at least in each calendar year and within twenty-seven weeks prior to the effective date of new rates of contributions, as of which those rates are computed.

(5) "Balance" as used in this section and KRS 341.530 to 341.560 means the total of all contributions paid and credited to a reserve account plus the total of all benefits charged in accordance with subsection (2) of KRS 341.550, against the pooled account because of the exhaustion, as of a computation date, of such reserve account less the total of all benefits charged against that reserve account.

341.290 *Contributions from employers not subject to Federal Unemployment Tax Act.* Any subject employer not required to pay the tax imposed by section 1600 of the Federal Unemployment Tax Act (53 Stat. Part I, Sections 1600-1610) shall pay an equalizing contribution to be allocated to administration purposes amounting to three-tenths percent of the wages paid by it with respect to covered employment. The contributions required under this section shall be credited to the Unemployment Compensation Administration Fund. The State Treasurer shall maintain a separate record of all money received for the Unemployment Compensation Administration Fund under this section. This money shall not be expended or available for

expenditure in any manner that would permit its substitution for, or a corresponding reduction in, Federal funds that would be available in its absence to finance expenditures for the administration of this chapter. But nothing in this chapter shall prevent this money from being used as a revolving fund to cover necessary and proper expenditures for which Federal funds have been duly requested but not received, subject to the charging of such expenditures against such funds when received. The Commissioner may also authorize to be charged against such money any expenditures he deems proper and desirable for the administration of this chapter, if no other funds are available or can properly be used to finance such expenditures.

341.295 *Unemployment Compensation Contingent Fund.* There is hereby created in the State Treasury a special fund to be known as the Unemployment Compensation Contingent Fund to which shall be credited all fines, penalties, and interest on delinquent contributions collected under KRS 341.300. All amounts in this fund are hereby continuously appropriated, without regard to fiscal years, for the administration of KRS Chapter 341. The State Treasurer shall maintain a separate record of all money received for the Unemployment Compensation Contingent Fund under this section. This money shall not be expended or available for expenditure in any manner that would permit its substitution for, or a corresponding reduction in, Federal funds that would be available in its absence to finance expenditures for the administration of KRS Chapter 341, and immediately upon receipt of administrative grants from the appropriate agency of the Federal Government to cover administrative cost for which the Commissioner has authorized and made expenditures from this fund, such grants shall be transferred to this fund to the extent necessary to reimburse such fund for the amount of such expenditures. The Commissioner may use the money in this fund to cover expenditures necessary for the administration of KRS Chapter 341 for which Federal funds have been duly requested but not received or to supplement Federal funds which are, in his opinion, insufficient to properly administer KRS Chapter 341. The Commissioner may also authorize to be charged against such fund any expenditures he deems proper and desirable for the administration of KRS Chapter 341 and replace any

money necessary under the provisions of KRS 341.610, if no other funds are available or can properly be used to finance such expenditures.

341.296 *Investment of Administration Fund and Contingent Fund.* Such money in the Unemployment Compensation Administration Fund collected under KRS 341.290, and the Unemployment Compensation Contingent Fund collected under KRS 341.295, shall be invested by the State Treasurer in bonds and other interest bearing obligations of the United States of America, in such amounts, and in such of the securities herein authorized, as the Commissioner may in his discretion prescribe and direct; provided, however, such funds as may be accumulated under the above sections may be invested by the Sinking Fund Commission, upon the request of the Commissioner, in revenue bonds issued by the State Property and Buildings Commission. The State Treasurer shall dispose of securities or other property belonging to such funds only under the direction of the Commissioner.

341.300 *Penalty on unpaid contributions; collection.* (1) Contributions unpaid on the date on which they are due and payable, as prescribed by the Commission, shall be subject to a penalty at the rate of one percent per month or fraction thereof from and after such date until payment is received by the Division. These penalties shall be paid into the Unemployment Compensation Contingent Fund.

(2) If, after due notice, any subject employer defaults in any payment of contributions or penalties thereon, the amount due shall be collected by civil action in the name of the state, and the subject employer adjudged in default shall pay the cost of the action. Civil actions brought under this section shall be heard by the court at the earliest possible date and shall be entitled to preference upon the calendar of the court over all other civil actions except petitions for judicial review under this chapter and cases arising under the workmen's compensation law.

(3) At or after the commencement of an action under subsection (2) of this section attachment may be had against the property of the liable subject employer for such contributions

and penalties without the execution of a bond, or after judgment has been entered an execution may be issued against the property of such employer without the execution of a bond.

(4) An action for the recovery of contributions or penalties under this section shall be barred and any lien therefor shall be canceled and extinguished unless collected or suit for collection has been filed within five years from the due date of such contributions, except in the case of the filing of a false or fraudulent report the contributions due shall not be barred and may at any time be collected by the methods set out in this chapter, including action in a court of competent jurisdiction.

341.310 *Lien on employer's property for contributions.* (1) A lien on a parity with state, county, and municipal ad valorem tax liens, and superior to the lien of any mortgage or other encumbrance heretofore or hereafter created is hereby created in favor of the Division upon all property of any subject employer from whom contributions, interest or penalties are or may hereafter become due. This lien shall be for a sum equal to the amount at any time due from each subject employer to the Division on account of contributions, interest and penalties thereon. The lien shall commence from such time as the contributions, interest or penalties become due.

(2) The Commissioner may file notice of this lien with the county court clerk of any county where the subject employer has property, giving the name of the subject employer, his address, and the amount of the lien. The clerk shall file same in the same manner as his *lis pendens* are filed. The files shall be designated "Miscellaneous State Tax Liens." The notice, when so filed, shall be conclusive notice to all persons of the lien on the property having legal situs in that county, except that nothing in this chapter shall be construed to alter or change in any way the law relative to the rights and duties of a holder in due course as provided in KRS Chapter 356, or affect the rights of any person taking the property or a lien thereon for value without actual or constructive notice. The clerk shall be entitled to a fee of \$1.25 for filing the lien, and said fee shall become a part of the lien as an added cost of the delinquent subject employer to be paid by him as a part of the amount necessary to release the lien, and in

no event shall the Commonwealth, the Department or the Division be required to pay same.

(3) In addition and as an alternative to any other remedy, the Commissioner may enforce the lien by petition in the name of this state to the circuit court of Franklin County, if the ministerial acts necessary to enforce the lien by the sale of the lien property or any part of it are performed by the appropriate officers of the circuit court of the county in which the property is situated under the direction of and reporting to the Franklin Circuit Court. The manner of enforcement shall be the same as that provided for the enforcement of other tax liens.

341.330 *Adjustment or refund to employing unit.* Not later than five years after the date on which any contributions or penalties were paid, an employing unit which has paid such contributions or penalties may make application for an adjustment in connection with subsequent contribution payments, or for a refund thereof because such adjustment cannot be made. If such contributions or penalties or any portion thereof were erroneously collected, the employing unit shall be allowed to make an adjustment thereof, without interest, in connection with subsequent contribution payments by it; or, if such adjustment cannot be made, such amount shall be refunded, without interest, from the funds into which such contribution or penalties were paid. For like cause and within the same period adjustment or refund may be so made by the Commissioner on his own initiative.

BENEFITS

341.350 *Conditions of qualification for benefits.* An unemployed worker shall, except as provided in KRS 341.360 and 341.370, be eligible for benefits with respect to any week of unemployment only if:

- (1) He has made a claim for benefits;
- (2) He has registered for work with respect to such week in accordance with regulations prescribed by the Commission;
- (3) He is physically and mentally able to work;
- (4) He is available for suitable work;

(5) His base-period wages are not less than three hundred dollars; and

(6) He has served a waiting period of one week of unemployment within his benefit year. No week of unemployment shall be counted as a waiting period unless the worker has satisfied the conditions of subsections (1), (2), (3), (4) and (5) of this section.

341.360 *Conditions of disqualification for benefits.* No worker may serve a waiting period or be paid benefits for any week of unemployment with respect to which:

(1) A strike or other bona fide labor dispute which caused him to leave or lose his employment is in active progress in the establishment in which he is or was employed, except that waiting periods may be served and benefits may be paid unless the employer notifies the Division in writing within seven days after the beginning of such alleged strike or labor dispute of the alleged existence of such strike or labor dispute. For the purpose of this paragraph a lock-out shall not be deemed to be a strike or a bona fide labor dispute and no worker shall be denied credit for a waiting period or be denied benefits by reason of a lock-out; or

(2) He has received or is seeking unemployment compensation under an unemployment compensation law of another state or of the United States, except as otherwise provided by an arrangement between this state and such other state or the United States. But if the appropriate agency of such state or of the United States finally determines that he is not entitled to such unemployment compensation, this subsection shall not apply.

341.370 *Conditions of benefit disqualification.* (1) A worker shall be disqualified from receiving benefits or serving a waiting period for not less than one nor more than sixteen weeks immediately following the commission of any of the following disqualifying facts, if, according to the circumstances in each case:

(a) Subsequent to his most recent work, he has failed without good cause either to apply for available, suitable work

when so directed by the employment office or the Commissioner or to accept suitable work when offered him, or to return to his customary self-employment when so directed by the Commissioner;

(b) He has left his most recent suitable work voluntarily without good cause; or

(c) He has been discharged for misconduct connected with his most recent work, but legitimate activity in connection with labor organizations or failure to join a company union shall not be construed as misconduct.

(2) A worker shall be disqualified from receiving benefits or serving a waiting period for the duration of any period of unemployment with respect to which:

(a) He was discharged for dishonesty in connection with his most recent work;

(b) He voluntarily quit his most recent work to marry or for the purpose of attending school or to become self-employed.

(3) A worker shall be disqualified from receiving benefits for any week with respect to which he knowingly made a false statement to establish his right to or the amount of his benefits, and for such additional weeks during his benefit year as the Commissioner may determine according to the circumstances in each case.

(4) No worker shall be disqualified under paragraph (b) or (c) of subsection (1) or subsection (2) of this section unless the employer, within a reasonable time as prescribed by commission regulation, notifies the Division and the worker in writing of the alleged voluntary quitting or the discharge for misconduct.

(5) As used in this section, "most recent" work shall be construed as that work which occurred after the first day of the worker's base period and which last preceded the week of unemployment with respect to which benefits are claimed; except that, if the work last preceding such week of unemployment was intermittent or temporary in nature, most recent work may be construed as that work last preceding such intermittent or temporary work.

341.380 *Payment of benefits; amount.* (1) All benefits shall be paid through employment offices, or such other agencies designated by regulations of the Commission. Claims for all payments of benefits shall be made in accordance with regulations of the Commission.

(2) Benefits payable to an eligible worker, whose benefit year begins on or after April 1, 1950, for weeks of unemployment shall, except as provided in KRS 341.390, be at the benefit rate in Column "C" of Table "A" which appears on the same line with the "Base-Period Wages" of the worker as shown in Column "B" of the same table.

(3) The maximum amount of benefits payable to any worker within any benefit year shall be the amount in Column "D" of Table "A" which appears on the same line with "Base-Period Wages" of such worker as shown in Column "B" of the same table.

TABLE A

Wages Class (A)	Base-Period Wages (B)	Benefit Rate (C)	Maximum Amount D)
0	Less than—\$ 300.00	\$ 0.00	\$ 0.00
1	300.00— 349.99	8.00	192.00
2	350.00— 399.99	9.00	216.00
3	400.00— 449.99	10.00	240.00
4	450.00— 524.99	11.00	264.00
5	525.00— 599.99	12.00	288.00
6	600.00— 699.99	13.00	312.00
7	700.00— 799.99	14.00	336.00
8	800.00— 949.99	15.00	360.00
9	950.00— 1,099.99	16.00	384.00
10	1,100.00— 1,249.99	17.00	408.00
11	1,250.00— 1,399.99	18.00	432.00
12	1,400.00— 1,549.99	19.00	456.00
13	1,550.00— 1,749.99	20.00	480.00
14	1,750.00— 1,949.99	21.00	504.00
15	1,950.00— 2,149.99	22.00	528.00
16	2,150.00— 2,349.99	23.00	552.00
17	2,350.00 or over	24.00	576.00

341.390 *Deductions from benefits.* There shall be deduct from the benefit rate determined for a worker in accordance with subsection (2) of KRS 341.380:

(1) Eighty percent adjusted to the nearest multiple of one dollar, of the amount of wages earned by such worker during the week of unemployment with respect to which he claims benefits; and

(2) The amount of remuneration which the worker has received or is receiving with respect to such week of unemployment (adjusted to the nearest multiple of one dollar) in the form of remuneration in lieu of notice.

341.400 *Notice to workers.* Each subject employer shall post and maintain in places readily accessible to his workers printed statements concerning such regulations or such matters as the Commission prescribes. Each subject employer shall make available to his workers copies of such printed statements and such materials relating to claims for benefits as the Commission prescribes. Such printed statements and materials shall be supplied by the Division without cost to the employer or workers.

341.410 *Determination of claims; notification of interested parties.* The Commissioner acting through his duly authorized representatives shall determine the validity of each claim and, if benefits are allowed, the Division shall notify all interested parties. If benefits are denied the Division shall notify the claimant. The Commissioner may, at any time within a claimant's benefit year, make such further determinations as may affect the claimant's eligibility for benefits or may set aside, reconsider, modify, or amend a determination at any time on the basis of additional information or to correct a clerical mistake. The Commission may by regulation prescribe what constitutes a determination as used in this section and in subsections (2) and (3) of KRS 341.420.

341.415 *Recovery and recoupment; limitations.* (1) Any person who has received any sum as benefits under this chapter while any condition for the receipt of such benefits was not fulfilled in his case, or while he was disqualified from receiving

benefits, shall, in the discretion of the Commissioner, either have such sum deducted from any future benefits payable to him under this chapter or repay the Division for the fund a sum equal to the amount so received by him. Such sum may be collected the manner provided in subsection (2) of KRS 341.300 for collection of past due contributions and any sums so collected shall be credited to the pooled account.

(2) Any amount paid to a person as benefits, which he has been found liable to repay or to have deducted from future benefits under subsection (1) of this section, which has neither been repaid nor so deducted within a period of three years following the last day of the benefit year within which it was paid, shall be deemed to be uncollectible and shall be permanently charged to the pooled account, except that if such payment was made by reason of fraudulent representations, no future benefits shall be paid such person until such amount has been repaid or deducted from such future benefits without respect to time.

APPEALS

341.420 *Appointment of referees; appeals to.* (1) The Commissioner shall appoint one or more impartial referees according to KRS 341.125 to hear and decide appealed claims.

(2) A party to a determination may file an appeal to a referee as to any matter therein within ten days after the date such determination was mailed to his last known address.

(3) If benefits are allowed by a determination but the record of the case indicates that a disqualification under KRS 341.360 or 341.370 has been alleged, or may exist, benefits shall not be paid prior to the expiration of the period for appeal as provided in paragraph (2) of this section. No benefits may be paid during any time that an appeal is pending or prior to the expiration of the period for appeal, except that, if a referee affirms a determination allowing benefits, they shall be paid until or unless the decision of the referee is reversed by the Commission. If benefits are paid pursuant to a decision of the referee that is finally reversed in any subsequent proceedings with respect thereto, no employer's account shall be charged with benefits so paid but such benefits shall be charged against the pooled account.

(4) Unless such appeal is withdrawn, a referee, after affording the parties reasonable opportunity for a fair hearing, shall affirm or modify the determination. The parties shall be duly notified of his decision, together with the reasons therefor, which shall be deemed to be the final decision unless within ten days after the date of mailing of such decision, further appeal is initiated under KRS 341.430.

341.430 *Review by Commission.* (1) The Commission may on its own motion affirm, modify, or set aside any decision of a referee on the basis of the evidence previously submitted in such case, or direct the taking of additional evidence, or may permit any of the parties to such decision to initiate further appeals before it. The Commission may remove to itself or transfer to another referee the proceedings on any claim pending before a referee.

(2) An application for review by the Commission of any administrative determination affecting an employing unit's liability, contribution rate, amount of contributions, or claim for refund may be filed by such employing unit within twenty days after notice of such determination was mailed to such employing unit's last known address.

(3) Any proceedings before the Commission shall be heard and determined by the entire Commission composed of three members, except that no member of the Commission shall participate in any case in which he is an interested party, and the chairman shall act alone in the absence or disqualification of any other member. The Commission shall promptly notify the parties to any proceedings of its findings and decisions.

341.440 *Procedure on review by referee and Commission; witness fees.* (1) The manner in which appeals are presented and hearings and appeals conducted shall be in accordance with regulations prescribed by the Commission for determining the rights of the parties, such hearings to be conducted in a summary manner. A complete record shall be kept of all proceedings in connection with any appeal. All testimony at any hearing upon an appeal shall be recorded, but need not be transcribed

unless further appealed. No examiner, referee or member of the Commission shall participate in any hearing in which he is an interested party.

(2) Witnesses subpoenaed pursuant to proceedings under KRS 341.420 and 341.430 shall be allowed fees in accordance with rates allowed by law. Such fees and all expenses of proceedings involving disputed claims shall be deemed a part of the expense of administering this chapter.

(3) In the absence of an appeal therefrom, decisions of the Commission shall become final twenty days after the date they are made.

JUDICIAL REVIEW

341.450 *Judicial review.* (1) Except as provided in KRS 341.460, within twenty days after the date of the decision of the Commission, any party aggrieved thereby may, after exhausting his remedies before the Commission, secure judicial review thereof by filing a petition for review against the Commission in the circuit court of the county in which the claimant was last employed by a subject employer whose reserve account is affected by such claims. Any other party to the proceeding before the Commission shall be made a defendant in such action. The petition shall state fully the grounds upon which review is sought, assign all errors relied on, and shall be verified by the petitioner. The petitioner shall furnish copies thereof for each defendant to the Commission, which shall deliver one copy to each defendant.

(2) Summons shall issue upon the petition directing the Commission to file answer within fifteen days after service thereof. Such summons shall be served upon a member of the Commission, or upon such person as the Commission designates, and such service shall be deemed complete service upon all members of the Commission. The Commission may be represented by any qualified attorney designated by the Commission for that purpose or, at the request of the Commission, by the Attorney-General. With its answer, the Commission shall certify and file with the court all documents and papers, and a transcript of all testimony taken in the matter, and orders made therein, together with its findings of fact and decision therein.

If consented to by the petitioner and the adverse party, an abstract of any portion of the record may be certified by the Commission in lieu of certifying such portion of the record in full. The Commission may certify to the court questions of law involved in any decision by it.

(3) Such actions, and the questions so certified, shall be heard by the court in a summary manner upon the record certified by the Commission. The court shall enter judgment affirming, modifying, or setting aside the order and the decision appealed from, or determining the question of law certified to it by the Commission, and may in advance of judgment, remand the case to the Commission for further proceedings in accordance with the direction of the court.

(4) An appeal may be taken from the decision of the circuit court to the Court of Appeals, in the same manner, but not inconsistent with the provisions of this chapter, as is provided in equity cases.

(5) It shall not be necessary, in any judicial proceeding under this section or KRS 341.460 to have entered exceptions to the rulings of the Commission, and no bond shall be required for entering such appeal. Upon the final determination of such judicial proceeding, the Commission shall enter an order in accordance with such determination. A petition for judicial review shall not act as a supersedeas or stay unless the Commission shall so order.

341.460 *Appeal to Franklin Circuit Court.* (1) In all cases of appeals arising under subsection (1) of KRS 341.360 or subsection (2) of KRS 341.430 court review may be had as provided in KRS 341.450 except that review shall be had to the Franklin Circuit Court.

(2) A claimant who has been denied benefits under subsection (1) of KRS 341.360 may appeal for himself and for and on behalf of all other claimants similarly situated within that establishment or other establishments whose claims were denied by reason of the same alleged labor dispute or strike. An employer may appeal to the Franklin Circuit Court from the decision of the Commission allowing benefits under subsection

(1) of KRS 314.360 and all workers in his establishment may be joined in such appeal.

Protection of rights and benefits. (1) No agreement by a worker to waive, release, or commute his rights to benefits or any other rights under this chapter shall be valid. No agreement by any worker to pay any portion of a subject employer's contributions, required under this chapter from such subject employer, shall be valid. No subject employer shall directly or indirectly make or require or accept any deductions from wages to finance the subject employer's contributions required of him, or require or accept any waiver by a worker of any right hereunder.

(2) No worker claiming benefits shall be charged fees of any kind in any proceeding under this chapter by the Commission, the Commissioner or his representatives. Any worker claiming benefits in any proceeding before the Commission or a court may be represented by counsel or other duly authorized agent; but no counsel or agent shall either charge or receive for such service more than an amount approved by the Commission.

(3) No assignment, pledge or encumbrance of any right to benefits due or payable under this chapter shall be valid; and such rights to benefits shall be exempt from levy, execution, attachment, or any other remedy for the collection of debt. Benefits received by any worker, as long as they are not mingled with other funds of the recipient, shall be exempt from any remedy for the collection of all debts except debts incurred for necessities furnished to such worker or his spouse or dependents during the time when such worker was unemployed. No waiver of any exemption provided for in this subsection shall be valid.

FUNDS AND ACCOUNTS

341.490 *Unemployment Insurance Fund, establishment and control.* (1) There shall be a special fund known as the Unemployment Insurance Fund which shall be administered separate and apart from all public money or funds of this state. This fund shall consist of:

(a) All contributions and money collected under this chapter, except those imposed under KRS 341.290 and fines, penalties, and interest on delinquent contributions collected under KRS 341.300;

- (b) Interest earned upon any money in the fund;
- (c) Any property or securities acquired through the use of money belonging to the fund; and
- (d) All earnings of such property or securities.

(2) Subject to this chapter, the Commissioner may have full power, authority and jurisdiction over the fund, including all money and property or securities belonging thereto, and may perform any act necessary or convenient in the administration thereof consistent with this chapter.

341.500 *Accounts and deposits.* (1) The State Treasurer shall be the treasurer and custodian of the fund. He shall administer the fund in accordance with the direction of the Commissioner and shall pay all vouchers approved by the Department of Finance and drawn upon the fund in accordance with regulations prescribed by the Commission. He shall maintain within the fund three separate accounts: a clearing account; an unemployment trust fund account; and a benefit account.

(2) All money payable to the fund, upon receipt thereof by the Division, shall be forwarded to the treasurer, who shall immediately deposit it in the clearing account. Refunds payable under KRS 341.330 may be paid from the clearing account upon warrants issued by the treasurer under the direction of the Commissioner. After clearance thereof, all other money in the clearing account shall be immediately deposited with the Secretary of the Federal Treasury to the credit of the account of this state in the Unemployment Trust Fund, established and maintained under Section 904 of the Social Security Act (49 Stat. 620), as amended, any other law to the contrary notwithstanding.

(3) The benefit account shall consist of all money requisitioned from the state's account in the Unemployment Trust Fund. Except as otherwise provided in this chapter, money in the clearing and benefit accounts may be deposited by the treasurer, under the direction of the Commissioner, in any bank or public depository in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund.

341.510 *Withdrawals from trust fund.* (1) Money shall be requisitioned from the state's account in the Unemployment

Trust Fund solely for the payment of benefits and in accordance with regulations prescribed by the Commission. The Commissioner, through the State Treasurer acting as his fiscal agent, shall from time to time requisition from the Unemployment Trust Fund such amounts not exceeding the amounts standing to this state's accounts therein, as he considers necessary for the payment of benefits for a reasonable future period.

(2) Upon receipt thereof the treasurer shall deposit such money in the benefit account and shall issue his vouchers for the payment of benefits solely from such benefit account. Expenditures of such money in the benefit account shall not be subject to any provisions of law requiring specific appropriations or other formal release by state officers of money in their custody. All vouchers issued by the treasurer for the payment of benefits and refunds shall bear the signature of the treasurer and the approval in writing of the Commissioner of Finance.

(3) Any balance of money requisitioned from the Unemployment Trust Fund that remains unclaimed or unpaid in the benefit account after the expiration of the period for which such sums were requisitioned shall either be deducted from estimates for, and may be utilized for the payment of benefits during succeeding periods, or, in the discretion of the Commissioner, shall be redeposited with the Secretary of the Federal Treasury to the credit of this state's account in the Unemployment Trust Fund, as provided in KRS 341.500.

341.520 *Disposition of funds upon discontinuance of trust fund.* KRS 341.490, 341.500 and 341.510, to the extent that they relate to the Unemployment Trust Fund, shall be operative only so long as that fund continues to exist and so long as the Secretary of the Federal Treasury continues to maintain for this state a separate book account of all funds deposited therein by this state for benefit purposes together with this state's proportionate share of the earnings of that fund, from which no other state is permitted to make withdrawals. If the Unemployment Trust Fund ceases to exist, or such separate book account is no longer maintained, all money, property or securities therein, belonging to the Unemployment Insurance Fund of this state shall be transferred to the treasurer of the Unemployment Insurance

Fund, who shall hold, invest, transfer, sell, deposit and release such money, property or securities in a manner approved by the Commissioner and the Department of Finance, in accordance with this chapter. Such money shall be invested in bonds or other interest-bearing obligations of the United States of America. Investments shall at all times be so made that all the assets of the fund shall always be readily convertible into cash when needed for the payment of benefits. The State Treasurer shall dispose of securities or other property belonging to the Unemployment Insurance Fund only under the direction of the Commissioner and the Commissioner of Finance.

341.530 *Employer reserve accounts.* (1) The Division shall maintain within the fund a separate reserve account for each subject employer, and shall, except as provided in subsection (2) of this section and KRS 341.560, credit to such account the total amount of all contributions paid by the employer on his own behalf. The liability of each such account shall be limited to the payment of benefits to eligible workers.

(2) Except as provided in subsection (3) of this section the benefits paid to an eligible worker for a week of unemployment shall be charged proportionately against the accounts of those of his subject employers from whom he has base-period wages. The proportion so used shall be that ratio which is obtained by dividing the base-period wages of a worker from such employer by the total base-period wages of such worker, adjusted to the nearest multiple of one percent. For the purpose of this subsection a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

(3) Notwithstanding the provisions of subsection (2) of this section, benefits paid to an eligible worker and chargeable to an employer's reserve account under such subsection shall be charged against the pooled account if such worker was discharged by such employer for misconduct connected with his most recent work for such employer, or voluntarily left his most recent work with such employer without good cause attributable to the employment, and the employer within a reasonable time, as prescribed by commission regulation, notifies the Divi-

sion, in writing, of the alleged voluntary quitting or discharge for misconduct.

(4) Each subject employer's reserve account shall, unless terminated or exhausted as of the computation date (as defined in subsection (4) of KRS 341.270) be charged with all benefits paid to eligible workers which are chargeable to such reserve account under subsection (2) of this section. A subject employer's reserve account shall be deemed to be terminated if he has ceased to be subject to this chapter, and his account has been closed and any balance remaining therein has been credited to the fund's pooled account or to a successor's account as provided in KRS 341.540.

(5) Any subject employer may at any time make voluntary payments, additional to the contributions required under KRS 341.260 and 341.270 to his reserve account, according to the general rules established by the Commission.

341.540. *Reserve Accounts of successive employers.* (1) If a subject employer shall transfer or otherwise reorganize his entire organization, trade or business, the successor in interest is hereby required to assume the resources and liabilities of such employer's reserve account and to continue the payment of all contributions due under this chapter, except that the successor in interest shall not be required to assume the liability of any delinquent contributions of his predecessor or predecessors unless the Division notifies him of such delinquency within six months after the Division has notice of the transfer of ownership.

(2) The liability for delinquent contributions imposed upon the successor in interest by subsection (1) of this section shall be secondary to the liability of his predecessor or predecessors and if the delinquency has been reduced to judgment the order of execution on such judgment shall be as follows:

- (a) Against the personal assets of the predecessor or predecessors;
- (b) Against the assets of the business transferred; and
- (c) Against the personal assets of the successor in interest.

341.550 *Pooled account.* (1) The Division shall maintain within the fund a pooled account, mingled and undivided, to which shall be credited:

- (a) All worker contributions;
- (b) The emergency amounts diverted from the subject employers' contributions as provided in KRS 341.560;
- (c) All realized earnings and gains on investments of the fund;
- (d) Except as provided in KRS 341.540, any balance remaining in the reserve account of any previously subject employer after such employer has ceased to be subject to this chapter;
- (e) Any payments into or amounts in the fund not allocable to any employer's reserve account; and
- (f) Any payments collected under subsection (3) of this section.

(2) Except as provided in KRS 341.420, subsection (3) of KRS 341.530, and subsection (3) of this section, benefits shall be charged against the pooled account only if and to the extent that a subject employer's reserve account does not, as of the computation date (as defined in subsection (4) of KRS 341.270), equal the maximum amount of benefits then due and chargeable against such account as provided in this chapter. To the extent that money in the pooled account is sufficient therefor, the Commissioner shall pay any benefits otherwise due but not payable because of the complete exhaustion as of such computation date of the subject employer's reserve account.

(3) Any benefits paid through error shall be charged against the pooled account. The repayment of benefits paid erroneously as provided in subsection (1) of KRS 341.415 shall be credited to the pooled account. The pooled account shall be credited with any sums deducted from future benefits as provided in KRS 341.415.

341.560 *Emergency diversion of contributions to pooled account.* If, on January 1 or July 1 of any year, the amount in the pooled account is less than three times the highest total

amount of benefits paid from such account during any one of the three preceding calendar years, the Commission may declare, with respect to the six months beginning on such January 1 or July 1, an emergency period. During that period, one percent of the wages upon which the subject employers' contributions are paid shall be paid into the pooled account from such contributions. During such period the force and effect of any part of this chapter shall be suspended if it provides that any subject employer may pay contributions at a rate of less than one percent, and every subject employer shall pay contributions to the pooled account at the rate of at least one percent of the payroll or payrolls by which contributions are to be measured in accordance with this chapter.

341.570 *Representation in court; expenses of suit.* (1) In any civil action to enforce the provisions of this chapter or in which the Commission or the Division is an interested party, the Commission or the Division may be represented by any qualified attorney who is designated by the Commissioner for that purpose. The expenses and compensation of such special attorney and any experts employed in connection with such proceedings shall be considered a proper cost of the administration of this chapter.

(2) All criminal actions for violation of any provision of this chapter, or of any rules or regulations issued under it, shall be prosecuted by the Attorney-General of this state, or, at his request and under his direction, by the county attorney of any county in which the employing unit has a place of business or the violator resides.

341.580 *Limitations on payment of benefits.* Benefits shall be considered due and payable under this chapter only to the extent provided in this chapter and to the extent that money is available therefor to the credit of the Unemployment Insurance Fund, and neither this state, the Commissioner, the Department nor the Division shall be liable for any amount in excess of such sums.

341.590 *Additional contributions if Federal Government fails to provide funds for administration.* If the Federal Govern-

ment does not, for any fiscal year, make the certification for payment to this state of funds for the assistance of this state in the administration of this chapter as provided by Title III of the Federal Social Security Act (49 Stat. 620) or any amendment thereto, every employer subject to this chapter shall, for that fiscal year, pay to the Unemployment Compensation Administration Fund, to be used for the administration of this chapter, contributions equal to three-tenths of one percent of such subject employer's wages payable for covered employment for the same period. These contributions shall be collected the same as contributions for the payment of benefits.

341.600. *Continuation; no vested right created.* (1) The Commissioner, the Department, the Commission and the Division, its personnel, organization and funds shall constitute a continuation of the analogous provisions of the previous unemployment compensation laws of this state and the provisions of this chapter shall be considered as substituted in a continuing way for the provisions of such laws. Nothing in this chapter shall waive any payments required of any employer under any such laws.

(2) No vested right shall exist against amendment or repeal of any part of this chapter.

341.610 *Pledge to replace funds.* Kentucky hereby obligates itself for the replacement, within a reasonable time, of any moneys received pursuant to Title III of the Social Security Act which, because of any action or contingency, are lost or expended for purposes other than, or in amounts in excess of, those found necessary by the appropriate Federal agency for the proper administration of this chapter.

341.620 *Expenditure of Federal moneys.* All moneys received pursuant to Title III of the Social Security Act, as amended, shall be expended solely for the purposes and in the amounts found necessary by the Federal Bureau of Employment Security for the proper and efficient administration of this chapter.

PENALTIES

341.990 *Penalties.* (1) Any employe of any state department who violates any of the provisions of KRS 341.110 to 341.230 shall be fined not less than twenty-dollars nor more than two hundred dollars or imprisoned for not more than ninety days, or both.

(2) Any person subpoenaed to appear and testify or produce evidence in an inquiry, investigation or hearing conducted under this chapter who fails to obey the subpoena shall be fined not less than ten dollars nor more than one hundred dollars or imprisoned for not more than thirty days, or both.

(3) Any subject employer, or officer or agent of a subject employer, who violates subsection (1) of KRS 341.470 shall be fined not less than one hundred dollars nor more than one thousand dollars or imprisoned for not more than six months, or both, for each offense.

(4) Any person who violates subsection (2) of KRS 341.470 shall be fined not less than fifty dollars nor more than five hundred dollars or imprisoned for not more than six months, or both, for each offense.

(5) Any person who knowingly makes a false statement or representation or knowingly fails to disclose a material fact to obtain or increase any benefit for himself or any person shall be fined not less than ten dollars nor more than fifty dollars or imprisoned for not more than thirty days, or both. Each false statement, representation or failure shall constitute a separate offense.

(6) Any person who knowingly makes a false statement or representation or who knowingly fails to disclose a material fact to prevent or reduce the payment of benefits to any worker entitled thereto, or to avoid becoming or remaining subject to this chapter, or to avoid or reduce any payment required of an employing unit under this chapter or who wilfully fails or refuses to furnish any reports required, or to produce or permit the inspection or copying of records required in this chapter shall be fined not less than ten dollars nor more than fifty dollars or imprisoned for not more than thirty days, or both. Each such false state-

ment, representation or failure and each day of such failure or refusal shall constitute a separate offense.

(7) Any person who wilfully violates any provision of this chapter or any rule or regulation under it, the violation of which is made unlawful or the observance of which is required under the terms of this chapter, and for which no specific penalty is prescribed in this chapter or in any other applicable statute, shall be fined not less than ten dollars nor more than fifty dollars. Each day such violation continues shall constitute a separate offense.

(8) Any prosecution for the violation of any provision of KRS Chapter 341, the penalty for which is prescribed under this section, shall be commenced within two years of the commission of the offense.

Section 2. Paragraph B of Section 18 headed DEPARTMENT OF ECONOMIC SECURITY OF PART FOUR of House Bill No. 14 of the 1950 General Assembly is repealed.

Section 3. DECLARATION OF AN EMERGENCY.

Whereas, the effective administration of KRS Chapter 341 requires that the foregoing changes be made effective prior to April 1, 1950 an emergency is hereby declared to exist and this Act shall become effective upon its passage and approval by the Governor.

S. B. No. 272. AN ACT relating to crimes and their punishments.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

When two or more criminal penalties are provided for the commission of any single act, the Commonwealth must elect which penalty it will seek to impose and a judgment of conviction or acquittal upon a trial in which any of the penalties could have been imposed, shall constitute a valid defense of double jeopardy and operate as a complete bar to any further prosecution for the same single act.

Ordered that said bills be printed and referred to the Committee on Rules.

The message which was received from the Senate also announced that they had passed a bill which originated in this body of the following title, viz:

H. B. No. 441. AN ACT providing that in any county having a population of less than seventy-five thousand and in which the county clerk shall have had the bond required of him by law executed by an incorporated surety company, the county clerk shall, in certain instances, have a claim against the state for the amount of the premium paid by him.

With an amendment thereto by way of substitute therefor as proposed and adopted by the Senate.

Said amendment to said bill by way of substitute therefor as proposed and adopted by the Senate is as follows, viz:

AN ACT providing that in any county having a population of less than 75,000, in which the county clerk shall have had his official bond executed by an incorporated surety company, the amount paid by such clerk as premium on such bond shall not be computed as part of the net compensation which he receives or retains for his services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In any county having a population of less than 75,000 in which the county clerk shall have had his official bond executed by an incorporated surety company, the amount paid by such clerk as premium on such bond shall not be computed as part of the net compensation which he receives or retains for his services but shall be considered as office expense payable out of the gross receipts of such clerk's office before any such computation of his net compensation.

The message which was received from the Senate also announced that they had passed a bill which originated in this body of the following title, viz:

H. B. No. 377. AN ACT concerning the imposition, collection, disposition of license taxes; restriction on ad valorem

taxation; and the issuance and enforcement of licenses in cities of the first class.

Ordered that said bill be delivered to the Enrolling Clerk of this House.

Mr. Hanratty moved that the rules be suspended for the purpose of offering a resolution.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Weintraub offered the following resolution, viz:

H. Res. No. 77. A CONCURRENT RESOLUTION designating the month of April, 1950 as "National Census Month."

WHEREAS, in order to promote public interest in and cooperation with the taking of the national census, the census authorities have proposed that the month of April, 1950 be designated as "National Census Month"; and

WHEREAS, it is desirable that all citizens of Kentucky cooperate in furnishing to the census takers all required information, which information, under federal law, will be treated as confidential information;

NOW THEREFORE

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

That the Month of April, 1950 be and it hereby is designated as "National Census Month" in Kentucky.

That all citizens of the Commonwealth are urged to cooperate to the fullest extent with the census takers in having available and furnishing all information necessary to accomplish the public purposes for which the national census is taken.

Said resolution was adopted.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 444. AN ACT to authorize communities of this Commonwealth to adopt plans and to undertake projects for the acquisition, clearance, preparation and sale and lease of land in slum or blighted areas for development or redevelopment.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. *Short Title.*

This Act shall be known and may be cited as the Community Slum Clearance and Redevelopment Act.

SECTION 2. *Legislative Finding and Policy.*

It is hereby found and declared (a) that there exist in many communities in this Commonwealth slum areas and blighted areas (as herein defined) which constitute a serious and growing menace, are injurious and inimical to the public health, safety, and welfare of the people of the Commonwealth, and are beyond remedy and control solely by regulatory process in the exercise of the police power; (b) that such areas contribute substantially and increasingly to the spread of disease and crime and necessitate excessive and disproportionate expenditures for the preservation of the public health and safety, for crime prevention, correction, prosecution, and punishment, and the treatment of juvenile delinquency, and for the maintenance of adequate police, fire, and accident protection and other public services and facilities; (c) that this menace cannot be effectively dealt with by private enterprise without the aids herein granted; and (d) that the benefits which would result from eliminating slum conditions and conditions of blight will accrue to the inhabitants of the communities in which these conditions exist and to the inhabitants of this Commonwealth generally.

It is hereby declared (a) that it is the policy of this Commonwealth to protect and promote the health, safety, and welfare of the people of the Commonwealth and particularly of the communities in which slum areas and blighted areas exist by the elimination of slum conditions and conditions of blight; (b) that the elimination of such conditions and the preparation of the land in such areas for sale or lease for development or redevelopment

constitute a public use and purpose for which public money may be expended and private property acquired and are governmental functions in the interest of the health, safety, and welfare of the people of the Commonwealth; and (c) that the necessity in the public interest for the provisions hereinafter enacted is hereby declared to be a legislative determination.

SECTION 3. *Definitions.*

The following words or terms shall have the following meanings wherever used in this Act, unless a different meaning is clearly indicated by the context:

(a) "Slum area" means an area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, sanitation, or open spaces, high density of population and overcrowding, or any combination of such factors, are unsafe or unfit to occupy, are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime, injuriously affect the entire area, and constitute a menace to the public health, safety and welfare. A slum area may include lands, structures, or improvements, the acquisition of which is necessary in order to assure the proper clearance and redevelopment of the entire area and to prevent the spread or recurrence of slum conditions thereby protecting the public health, safety, and welfare.

(b) "Blighted area" means an area (other than a slum area as herein defined) where by reason of the predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, submergence of lots by water or other unsanitary or unsafe conditions, deterioration of site improvements, diversity of ownership, tax delinquency, defective or unusual conditions of title, improper subdivision or obsolete platting, or any combination of such reasons, development of such blighted area (which may include some incidental buildings or improvements) into predominately housing uses is being prevented.

(c) "Redevelopment" means the planning or replanning, design or redesign, acquisition, clearance, development and disposal, or any combination of these, of a development area and the preparation of such area for such residential, commercial, indus-

trial, public, recreational or other structures, works, improvements, facilities or spaces as may be appropriate or necessary. "Redevelopment" and derivatives thereof shall mean develop as well as redevelop.

(d) "Community" means any city or county.

(e) "Mayor" means the mayor or chairman of the board of trustees of a city or the county judge of a county, or the officer thereof having the duties customarily imposed upon the executive head of a city or county.

(f) "Council" means the legislative authority of a city or the fiscal court of a county.

(g) "Redevelopment project" means any or a combination of one or more of the following:

(i) Acquisition of a slum area or a blighted area (as herein defined);

(ii) Demolition and removal of structures and improvements;

(iii) Installation, construction or reconstruction of streets, utilities and other site improvements essential to the preparation of sites for uses in accordance with the development plan; and

(iv) Making the land available for development or redevelopment by private enterprise or public bodies for uses in accordance with the development plan.

(h) "Development area" means the area of a redevelopment project.

(i) "Development plan" means a plan for the redevelopment of all or any part of a development area.

(j) "Agency" means a public corporate body created pursuant to Section 4 of this Act.

(k) "Public body" means any city, county, commission, district authority or other public body or political subdivision of the Commonwealth.

(l) "Area of operation" means (i) in the case of a city, the area within such city and the area within five miles of the territorial boundaries thereof, except that the area of operation of a city under this Act shall not include any area which lies within the territorial boundaries of another city unless a resolution shall

have been adopted by the council of such other city declaring a need therefor; and (ii) in the case of a county, the area within the county, except that the area of operation of a county shall not include any area which lies within the territorial boundaries of a city unless a resolution shall have been adopted by the council of such city declaring a need therefor.

(m) "Real property" includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.

(n) "Planning commission" means a city, county or joint city-county Planning and Zoning Commission or a Planning Commission established pursuant to the provisions of the KRS 100.010 to 100.990, both inclusive, having authority and responsibility with respect to the area of the community.

(o) "Bonds" shall mean any bonds, notes, interim certificates, debentures, or other obligations.

SECTION 4. *Creation of Agency, Appointment and Tenure of Members.*

If the council of any community by resolution finds and declares (1) that there exist in the community slum areas or blighted areas (as herein defined), (2) that there is need in the community for the exercise of powers, functions and duties conferred by this Act, and (3) that the exercise of such powers, functions and duties by an agency created and established pursuant to this section would be more efficient and in the public interest than the exercise of such powers, functions and duties by the community or the housing commission of the community pursuant to Section 16 of this Act, an agency, to be known as the Slum Clearance and Redevelopment Agency of the city or county, as the case may be, shall thereupon exist for such community with the powers, duties and functions hereinafter provided.

Upon adoption of the resolution, the mayor shall be promptly notified and he shall appoint, with the approval of a majority of

the council, five resident electors of the community as members of the agency.

The members who are first appointed shall be designated to serve for terms of one, two, three, four and five years respectively. Thereafter members shall be appointed as aforesaid for a term of office of five years, except that all vacancies occurring during a term shall be filled for the unexpired term. A member shall hold office until his successor has been appointed and qualified.

The agency shall elect a chairman from among its members. The term of office as chairman of the agency, unless otherwise prescribed by the council shall be for the calendar year, or for that portion thereof remaining after each such chairman is designated or elected.

The powers of each agency shall be vested in the members thereof then in office. Members of an agency or their staff shall receive their actual and necessary expenses, including traveling expenses, provided, however, that such other compensation, if prescribed, shall be paid exclusively from community funds.

For inefficiency or neglect of duty or misconduct in office, a member of an agency may be removed by the council but the member may be removed only after he shall have been given a copy of the charges at least 10 days prior to a public hearing thereon and has had an opportunity to be heard in person or by counsel.

No officer or employee of the community or of the agency who in the course of his duties is required to participate in the formulation of plans or policies for the redevelopment of a development area, or to approve such plans or policies, shall acquire any interest in any property included within a development area within the community. If any such officer or employee owns or has financial interest, direct or indirect, in any property included within such a development area he shall immediately disclose, in writing, such interest to the agency and to the council and such disclosure shall be entered in the minutes of the agency and of the council. Failure to so disclose such interest shall constitute misconduct in office. No payment shall

be made to any member or officer of an agency for any property or interest therein acquired by the agency from such member or officer unless the amount of such payment is fixed by court order in eminent domain proceedings, or unless such payment is unanimously approved by the council.

When an agency is created for any community, the council may at that time, and from time to time thereafter, appropriate such amounts of money, to the agency as it deems necessary for the administrative purposes of the agency. The administrative purposes of the agency may include staff and consultants for research, studies and surveys, designation of development areas, preparation of development plans, estimates of the cost of acquisition, clearance and conditioning of land for redevelopment, estimates of the fair use value of the land and any other administrative expenses considered necessary by the council.

Each such agency shall file with the council a detailed report of all its transactions, including a statement of all revenues and expenditures, at such intervals as the council may prescribe.

At any time after two years after the appointment of the first five members of the agency, if such agency shall not theretofore have redeveloped or acquired land for, or commenced the redevelopment of, a project, or entered into any contracts for redevelopment, the council may by resolution declare that the offices of the members of the agency shall be vacated and thereupon the capacity of the agency to transact business or exercise any power shall be suspended and shall remain suspended until the appointment of new members to the office of the agency as hereinbefore set forth in this section.

SECTION 5. *Powers of the Agency.*

Each agency created for the purpose of this Act, shall constitute a public body, corporate and politic, exercising public and essential governmental functions, and shall have the following powers in addition to the others granted:

(a) to sue and be sued; to have a seal; to make and execute contracts and other instruments necessary or convenient to the exercise of its powers;

(b) to make, and from time to time amend and repeal by-laws, rules and regulations not inconsistent with this Act to carry into effect the powers and purposes hereof;

(c) to select and appoint such officers, agents, counsel and employees, permanent and temporary, as it may require, and determine their qualifications, duties and compensation, subject, however, to the provisions of its budget;

(d) within its area of operation, for purposes of redevelopment within the development area, to purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise or otherwise, any real or personal property, or any interest therein, together with any improvements thereon; to acquire by the exercise of the power of eminent domain any real property; to clear any and all buildings, structures or other improvements from any real property so acquired and to dispose of any personal property resulting therefrom; to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber (by mortgage, deed of trust or otherwise), or otherwise to dispose of any real or personal property or any interest therein at its fair value for uses in accordance with the development plan, irrespective of the cost of acquiring and preparing real property for redevelopment; to insure or provide for the insurance of any real or personal property or operation of the agency against risks or hazards; and pursuant to the provisions of Section 14 hereof to rent, maintain, manage, operate, and repair such real property;

(e) to borrow from and to accept loans and grants from the Federal Government or any agency thereof, or from any sources, public or private, for the purposes of this Act, and to pledge such security as may be required; an agency, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the Federal Government any conditions which the Federal Government may attach to its financial aid of a redevelopment project, not inconsistent with the purposes of this Act;

(f) within its area of operation, to develop as a building site or sites, any real property owned or acquired by it, and in this connection to cause streets and highways to be laid out and graded, and pavements or other road surfacing, sidewalks

and curbs, and public utilities of every kind to be constructed and installed, or to close any streets according to the development plan;

(g) within its area of operation, to prepare from time to time plans for the improvement or rehabilitation of slum and blighted areas; to make, periodically, investigations and surveys pertaining to slum clearance and urban redevelopment;

(h) to invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be cancelled;

(i) to obligate lessees or purchasers of land acquired in a redevelopment project: (1) to use such land for the purpose designated in the development plan; (2) to begin the building of specified improvements within a period of time which the agency fixes as reasonable; and (3) to comply with such other conditions as in the opinion of the agency are necessary to carry out the purposes of this Act; the agency, by provision in the contract, deed or lease may make any of the purchaser's obligations covenants or conditions running with the land, whose breach shall cause the fee to revert to the agency;

(j) to exercise all or any part or combination of the powers herein granted;

(k) Nothing herein contained shall authorize such agency to construct any of the buildings for residential, commercial, industrial or other use contemplated by the development plan.

SECTION 6. *Prerequisites for Adoption of a Development Plan.*

No agency may acquire title to any land for the purpose of carrying out a development plan unless the following conditions have been met;

(a) A general or master plan of the community has been adopted by the Planning Commission of the community.

(b) A development plan for the proposed development area has been approved by the Planning Commission of the community and has been made available for public inspection. The development plan shall designate, among other things, the location, character and extent of the public and private land ownership and uses proposed within the area, such as street, sewer, public transportation, school, recreation, dwelling, business, industry and such others as may be suitable. The development plan may be made by the agency, or at the request of the agency or at the direction of the council, be prepared by the Planning Commission of the community.

(c) A public hearing held by the agency on the development plan, whereat an opportunity shall be afforded to all persons interested to be heard, either in person or by counsel. Notice of the time and place of such hearings shall be published in a newspaper of general circulation in the community not less than 10 days prior to the date set for the hearing. Notices of the hearing shall be mailed at least 10 days before the hearing, to the last known owner of each parcel of land in the development area at the last known address of such owner as shown by the records of the assessor. Such notices shall contain a description of the proposed development area by its location in relation to highways, streets, streams or otherwise. Such notices shall further state that maps, plats and particular description of the development plan, together with such zoning maps and ordinances as may relate thereto, are available for public inspection at a place to be designated in such notice. The failure of any owner to receive a copy of such notice shall not invalidate the proceedings of the agency.

(d) A finding has been made by the agency that there is a feasible method for the temporary or permanent relocation of families displaced from the development area, and that there are or are being provided, in the development area or in other areas not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the development area, decent, safe, and sanitary dwellings for such displaced families.

(e) After public hearing, the agency has made and certified to the council the development plan and an estimate of the

cost required of the community for the redevelopment of such area, for the guidance of the council in providing funds therefor, an estimate of the total cost of such redevelopment including an estimate of the cost of appraisals, the value of the real estate, and any other costs and expenses which, in the judgment of the agency may be incurred by the agency in the exercise of the powers granted in this Act, and an estimate of the revenue from the sale or lease of the property after demolition and conditioning for redevelopment, and the amount of deficit, if any, which is expected to be incurred.

(f) A finding has been made by the council:

(i) that the area is a slum area (as herein defined) or that all the following conditions exist:

(A) that the area is a blighted area (as herein defined);

(B) that a shortage of housing of sound standards and design adequate for family life exists in the community;

(C) that the need for housing accommodations has been or will be increased as a result of the demolition of residential units in slum areas under development plans;

(D) that the conditions of blight in the area and the shortage of decent, safe, and sanitary housing in the community cause or contribute to an increase in and spread of disease and crime and constitute a men-act to the public health, safety, and welfare; and

(E) that development of the blighted area for predominantly residential uses is an integral part of and essential to the program of the community for the elimination of slum areas;

(ii) that the development plan will afford maximum opportunity consistent with the sound needs of the community as a whole for the redevelopment of the development area by private enterprise;

(iii) that the development plan conforms to the general or master plan for the development of the community as a whole; and

(iv) that Federal assistance is necessary to enable the development area to be redeveloped in accordance with the development plan and funds will be available for the community share of the cost as required by the Housing Act of 1949 or other Federal acts providing Federal financial assistance, or that Federal financial assistance is not necessary and all funds will be available from other sources;

(g) The council has approved the development plan.

SECTION 7. *Issuance of Building Permits and Certificates of Occupancy in Development Area.*

After adoption of the development plan by the council, no building permit or certificate of occupancy shall be issued for any structure or use within the area (except for construction or uses which are necessary for the immediate protection of the public health or safety) without the approval in writing by the agency, based upon a determination by the agency that the proposed construction is not inconsistent with the development plan. Upon the sale, or lease of the redevelopment project or any portion thereof by the agency, no building permits or certificates of occupancy shall be issued for any structures or uses that do not conform to the development plan.

SECTION 8. *Appeals.*

Any person, firm, corporate organization, public officer or governmental agency or department, being a party of record at any hearing conducted by the agency in connection with the designation of a development plan or any such person or entity which has applied for a building permit or certificate of occupancy under SECTION 7 hereof, claiming to be injuriously affected or aggrieved by any action, of, or decision by, or refusal of the agency to approve such permit or certificate may appeal from such action or decision to the circuit court of the county wherein the agency is located, and jurisdiction is hereby given to such circuit court to hear and determine all questions and issues brought before it on such appeal. An appeal shall stay all action by all parties of record in the matter appealed from. Such appeal shall be taken within thirty days after notice of such action or decision has been given

by the agency to the party affected by the decision of said agency, by filing in the office of the clerk of the circuit court of such county a statement of appeal, setting forth the action or decision of the agency appealed from, the date thereof, the reasons for said appeal, and attaching thereto as a part thereof a certified copy of such action or decision and asking that an order to show cause be issued against and served upon the agency. But the foregoing remedy shall not be exclusive.

After the appeal is taken the procedure shall be the same as in common law actions, except the said appeals shall have preference over other cases on the docket and may, upon the motion of any party, be set down for trial in advance of other cases. Upon filing an appeal, notice thereof must be immediately given to the agency and all parties of record, by actual notice served or by service of summons. Hearings in the circuit court shall be de novo and heard by the judge and appeals may be taken from the decision of said circuit court to the Court of Appeals in the same manner as common law cases are appealed, except that all appeals to the Court of Appeals must be made within sixty days from the date of judgment in the circuit court.

SECTION 9. *Grant of Funds by Community.*

Any community located in whole or in part within the area of operation of an agency may grant funds to an agency for the purpose of aiding such agency in carrying out any of its powers and functions under this Act. To obtain funds for this purpose, the community may levy taxes or may issue and sell its general obligation or revenue bonds. Any bonds to be issued by the community pursuant to the provisions of this section shall be issued in the manner and within the limitations, except as herein otherwise provided, prescribed by the laws of this Commonwealth for the issuance and authorization of such bonds for public purposes generally.

SECTION 10. *Cooperation by Public Bodies.*

A public body shall have power to aid an agency within its area of operation and such aid may be authorized by a resolution or ordinance of the legislative body of such public body adopted by a majority of its members present at a meeting

of such legislative body. A public body may aid an agency in the following manner and upon such terms, with or without consideration, as it may determine:

(a) Dedicate, sell, convey or lease any of its interest in any property, or grant easements, licenses or any other rights or privileges therein to an agency;

(b) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished in connection with a redevelopment project;

(c) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan public streets or ways or other public places which it is otherwise empowered to undertake;

(d) Plan or replan, zone or rezone any part of the public body; make exceptions from building regulations and ordinances; and any city may also change its boundaries;

(e) Cause services to be furnished to the agency of the character which the public body is otherwise empowered to furnish;

(f) Enter into agreements with respect to the exercise by such public body of its powers relating to the repair, closing or demolition of unsafe, unsanitary or unfit dwellings;

(g) Incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section; and

(h) Do any and all things necessary or convenient to aid and cooperate in the redevelopment of a developed area.

Any sale, conveyance, lease or agreement provided for in this section may be made by a public body without appraisal, public notice, advertisement or public bidding.

SECTION 11. *Eminent Domain Proceedings.*

Whenever in the opinion of the council, land or other property, or right of way or easement over or through any property is needed by the agency in order to accomplish the purpose of this Act, it may by resolution reciting the need for

such acquisition, authorize the purchase or condemnation in the name of the community, of said land or other property, or right of way or easement necessary for such purpose, and may proceed to condemn and acquire such property in the following manner:

(a) The proceedings for condemnation shall be in the circuit court of the county in which the greater part of the property sought to be condemned lies, and shall be conducted in the name of the community. Proceedings shall be commenced by filing a petition against all persons having an interest in the property, describing the property, right of way or easement sought to be condemned, upon which summons shall be issued and proceedings carried on as nearly as may be as ordinary actions at law are conducted. Nonresidents and persons under disability shall be proceeded against as provided by the Civil Code. The owners of two or more different properties sought to be condemned for the same purpose may be proceeded against in a single action, or the owners of any piece of property may be proceeded against in a separate action.

(b) At any time after the filing of the petition, the community may apply to the circuit court, or to the judge thereof if the court is in vacation, to appoint commissioners to assess the damages which the owners of the property, right of way or easement to be condemned may be entitled to receive. The court or judge shall then appoint three disinterested, impartial housekeepers of the county who are owners of land, and who shall be sworn to faithfully and impartially discharge their duties. If the appointment is made by the judge in vacation, it shall be written order, which shall be filed with the petition in the case and may be entered of record at any subsequent term of the court, upon motion of any proper party.

(c) The commissioners shall, as early as practicable, view the property, right of way or easement proposed to be condemned, and award to the owner the value thereof. They shall also award to the owner any incidental damages resulting to his adjacent lands, considering the purposes for which it is taken, but they shall deduct from the incidental damages the value of any advantages and benefits that will accrue to

such adjacent lands from the proper use of the property, right of way or easement for the purposes and uses intended. They shall return a report in writing to the office of the clerk of the circuit court, stating their award and showing separately the amount allowed for the value of the property, right of way or easement to be condemned and taken, the amount allowed for incidental damages to adjacent lands and the amount deducted for advantages and benefits to the adjacent lands. They shall make a separate report as to each separately owned parcel of property.

(d) Immediately after the commissioners have filed said report the judge of the circuit court shall by an interlocutory judgment grant and award to the community immediate possession and full and complete use and control of said land or other property and the community shall thereupon be entitled to take possession thereof and to use and control the same for the purpose for which it is being condemned as fully as if the title had been conveyed to it; however, prior to the rendition of the interlocutory judgment, the community shall be required to pay into court the sum awarded by the commissioners in their report concerning such land or property, or right of way easement. The court shall, after having rendered said interlocutory judgment, upon motion by the community, make such orders as may be necessary and proper for the conveyance of such land or other property or property rights to the community, vesting in the community the title to the land or other property described in such condemnation proceeding, and shall cause its commissioner or a special commissioner appointed by the court to execute and deliver to the community a deed of conveyance therefor, which deed shall be executed as nearly as practicable in accordance with the rules governing the conveyance of property by commissioners when sold under order of court.

(c) The commissioners may report at any time after summons has been duly issued or warning order attorney appointed. Thereafter, either party may, before answer is due, file written exceptions to said report, except that the community's exceptions, if any, shall be made and filed prior to the entry of said interlocutory judgment. If the exceptions are based on the

ground that the damages awarded are too small or too great, the exceptions must be accompanied by an affidavit of the party stating the amount of damages that he believes would be just and reasonable, and be supported by the affidavits of two disinterested persons stating that the amount claimed by the excepting party would be just and reasonable. The difference between the damages awarded and the amount that the excepting party claims would be just and reasonable shall be deemed the amount in controversy for the purposes of appeal. Exceptions or defenses for nonresidents and persons under disability may be filed by any person authorized to make defense for such persons under the Civil Code. The court may, for proper cause, extend the time for filing exceptions and it may require the parties to plead to an issue of fact to be submitted to a jury according to the course of the common law. The sum not in controversy shall be paid or tendered to the parties defendant by the court prior to the entry of said interlocutory judgment.

(f) It is further provided that before rendering the interlocutory judgment, the court shall require the community to execute a bond, with surety to be approved by the court, conditioned upon the community paying to the parties defendant the difference between the sum paid into court and that which may thereafter be **finally determined** to be the value of the property or property rights and incidental damages, if any, if the parties defendant except to the report of the commissioners, unless the community shall have **sufficient funds** duly appropriated, properly allocated to that purpose, and on deposit to pay any money judgments, including all costs adjudged against the community, that may thereafter be rendered against it, and such fact or facts shall be alleged in its petition for condemnation.

(g) When exceptions have been filed by either party, and all parties have been properly summoned and are before the court and the issues made up, the circuit court shall forthwith cause the case to be docketed for trial by a jury as other common law cases are tried, and it shall, upon motion of either party, give case preference over other common law cases on the docket. In assessing damages the jury shall be governed by the rule prescribed for making of commissioners' report, and the court shall so instruct the jury. Upon request of either party

the jury may be sent by the court, in charge of the sheriff, to view the property, right of way or easement sought to be condemned.

(h) If more than one piece of property is involved, owned by different persons, the jury shall render a separate verdict as to the property of each person, or the court may direct a separate trial for each piece of property owned by different persons. If the verdict of the jury is more favorable to the party excepting the award of the commissioners, the additional costs accrued by reason of the filing of exceptions and subsequent proceedings shall be taxed against the other party, otherwise such additional costs shall be taxed against the party excepting. In either event the community shall pay all costs of the proceedings other than the additional costs incurred by reason of filing exceptions.

(i) An appeal may be taken by either party in interest from the circuit court to the Court of Appeals in the manner, for any of the causes and subject to the rules provided by general laws regarding appeals from circuit court to the Court of Appeals, but not appeal or supersedeas shall suspend the right of the community to have possession of the property, easement or right of way condemned.

SECTION 12. *Bonds, Notes and Obligations of the Agency.*

Any agency shall have power to issue revenue bonds from time to time at its discretion for any of its corporate purposes under this Act. An agency shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. An agency may issue revenue bonds on which the principal and interest are payable:

(a) exclusively from the income and revenues of the redevelopment project or projects financed from the proceeds of such bonds; or

(b) exclusively from such income and revenues together with grants and contributions from the Federal Government or other sources. Any such bonds may be additionally secured by a mortgage, deed of trust, or other lien or encumbrance on

the property in the redevelopment project or projects financed from the proceeds of such bonds.

Neither the members of an agency or any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of an agency (and such bonds and obligations shall so state on their face) issued under this section shall not be a debt of the city, the county, the state or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction and neither the city, the county, the state nor any political subdivision thereof shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said agency.

Bonds of an agency shall be authorized by its resolution. Such bonds may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide.

The bonds may be sold at not less than par, at public sale held after notice published once at least five days prior to such sale in a newspaper of general circulation in the community. Such bonds, however, may be sold at not less than par to the Federal Government at private sale without advertisement.

In case any of the members or officers of the agency whose signatures appear on any bonds, coupons, notes or other obligations shall cease to be such members or officers before the delivery of such bonds, coupons, notes or other obligations, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds, coupons, notes or other obligations issued pursuant to this Act shall be fully negotiable.

In any suit, action or proceedings involving the validity or enforceability of any bonds of an agency or the security therefor, any such bonds reciting in substance that they have been issued by the agency to aid in financing a redevelopment project shall be conclusively deemed to have been issued for a redevelopment project and said project shall be conclusively deemed to have been planned, approved, located, and carried out in accordance with the purposes and provisions of this Act.

In connection with the issuance of bonds, an agency, in addition to its other powers, shall have power:

(a) to pledge all or any part of its gross or net revenue to which its right then exists or may thereafter come into existence;

(b) to encumber by mortgage, (deed or trust, or otherwise) all or any part of its real or personal property in the redevelopment project;

(c) to covenant against pledging all or any part of its revenues, or against encumbering all or any part of its real or personal property, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or property; to covenant with respect to its sale, leasing, or other disposition of any redevelopment project or any part thereof; and to covenant as what other, or additional debts or obligations may be incurred by it;

(d) to covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds, to covenant against extending the time for the payment of its bonds or interest thereon; and to redeem the bonds, and to covenant for their redemption and to provide the terms and conditions thereof;

(e) to covenant as to the amounts to be charged in the sale or lease of properties in a redevelopment project or projects, the amount to be raised from revenue each year or other period of time and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for redevelopment or other costs, debt service,

reserves, or other purposes, and to covenant as to the use and disposition of the money held in such funds;

(f) to prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given;

(g) to covenant as to the use of any or all of its real or personal property; and to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon and the use and disposition of insurance moneys;

(h) to covenant as to the rights, liabilities, powers and duties arising upon the breach of any covenant, condition, or obligation; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived;

(i) to vest in a trustee or trustees or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenant securing or relating to the bonds; to vest in a trustee or trustees the right, in the event of a default by said agency, to take possession of any redevelopment project or part thereof, and to collect the rents and revenues arising therefrom, or due the agency in connection therewith, and to dispose of such moneys in accordance with the agreement of the agency with said trustee; to provide for the powers duties of a trustee or trustees and to limit the liabilities thereof; and to provide the terms and conditions upon which the trustee or trustees or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds;

(j) to exercise all or any part or combination of the powers herein granted; to make covenants other than and in addition to the covenants herein expressly authorized of like or different character; to make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the discretion of said agency,

except as otherwise provided in this Act, as will tend to make the bonds more marketable notwithstanding that such covenants, acts, or things may not be enumerated herein.

The bonds, notes and other obligations of an agency are declared to be issued for an essential public and governmental purpose, and together with interest thereon and income therefrom shall be exempt from all taxes.

Notwithstanding any restrictions on investments contained in any laws of this Commonwealth, the Commonwealth and all public officers, municipal corporations, political subdivisions and public bodies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or other obligations issued by an agency, as herein defined, or issued by any community or other public body in the United States, when such bonds and other obligations are secured by a contract for financial assistance to be paid by the United States Government or any agency thereof, and such bonds and other obligations shall be authorized security for all public deposits; it being one of the purposes of this Act to authorize any persons, firms, corporations, associations, political subdivisions, bodies and officers, public or private to use any funds owned or controlled by them including (but not limited to) sinking, insurance, investment, retirement, compensation, pension and trust funds, any funds held on deposit, for the purchase of any such bonds or other obligations; provided, however, that nothing contained in this Act shall be construed as relieving any person, firm or corporation from any duty or exercising reasonable care in selecting securities.

SECTION 13. *Acquisition of Property in Development Area.*

Upon the approval by the council of the development plan, the agency shall proceed to carry out the redevelopment. In the event that a bond issue is to be submitted by the community

to the voters for the purpose of providing funds to pay for the cost of the redevelopment project or any part thereof, the question of issuing bonds shall be submitted as required in KRS 66.040 to 66.070, both inclusive. The agency shall, within two years after such approval by the council or by the certification of the vote on any bond issue submitted to the voters pursuant to this Act, whichever is the later, either acquire every parcel of real property within the development area not owned by a public body or by the United States of America, or institute legal proceedings to acquire it.

SECTION 14. *Disposal of Property in Development Area.*

The agency may sell, exchange, lease, or otherwise transfer real property acquired under the provisions of this Act to one or more private individuals or to public bodies, and thereafter the real property shall be used only in accordance with the limitations and conditions set forth in the development plan, or the development plan as modified under this Act. Maximum opportunity, consistent with the sound needs of the locality, shall be given private enterprise in the redevelopment of development areas. The agency shall sell, lease, exchange, or withhold for public use by the state or any public body thereof, all of the property in such development area as soon as feasible and in the public interest. Prior to any such sale or exchange of real property, the agency shall obtain appraisals made by independent appraisers of the value of such real property proposed to be sold or exchanged, which appraisals shall be based upon the new uses established for such real property. These appraisals shall be used as a guide for the agency in disposing of its real property, but the agency shall not be bound thereby.

SECTION 15. *Modification of Development Plan.*

If a proposal by an agency to modify a development plan is made in writing to the planning commission and the council of the community, the planning commission and council shall consider the proposed modification, and if they approve such modification in writing, the development plan shall be changed accordingly. No modification of a plan shall affect, without the written consent of the owner or lessee, as the case may be, any property previously sold, leased, or exchanged by the agency.

SECTION 16. *Temporary Leasing during Development.*

An agency shall have the right to lease any parcel or parcels obtained by it pursuant to its proceedings under this Act for such uses and purposes as may be deemed desirable, even though not in conformity with the development plan, during the period of the development of any project, provided, however, that no such leases shall be made for a term longer than three years or beyond the date of the completion of the redevelopment work whichever may be the shorter term.

SECTION 17. *Contracts for Work, and Protection of Labor Standards.*

Before the agency enters into any contracts for work of demolition, grading, clearing or construction of utilities or other facilities or site improvements, it shall satisfy all requirements of the law, applicable to similar contracts of the community, relating to the advertisement and acceptances of bids, execution of bonds, and awards of contracts. The agency shall also attach to and make a part of the specifications for a contract for said work, a schedule of prevailing wages, and shall conform to all of the requirements of KRS 337.510 to 337.540, inclusive.

SECTION 18. *Exercise of Agency Powers by Community or Housing Commission.*

If the council within its discretion finds and determines that it would be more efficient and in the public interest for the powers, functions, and duties of an agency hereunder to be exercised by the community or the housing commission of the community, such community or housing commission shall have all of the powers, functions, rights, duties and privileges (subject to the limitations thereon) of an agency under this Act, and any powers of a public body (including a community) to assist an agency, or a project thereof, may be exercised to assist such community or housing commission or the project thereof. For such purposes, the term "agency", as used in this Act, shall mean the housing commission or the city or county, as the case may be, unless a different meaning clearly appears from the context. If a community has, pursuant to this section, determined to exercise the powers, functions, and duties of an agency, it may delegate any of them to a department or departments of such

community, or may create a special department to exercise the powers and perform the functions and duties of an agency; provided that no such department or departments shall have the power to issue the bonds or acquire title to real property, this power being reserved to the community.

SECTION 19. *Cooperation Between Communities.*

Two or more communities may jointly exercise the powers granted under this Act and in such case the planning commissions, councils, and agencies may hold joint meetings, but all public hearings shall be held in each community which is affected under this Act. By resolution finding and declaring a need therefor, the council of each of the communities may designate the agency of one of the communities to act as the agency of each of such communities and such agency shall constitute an agency created and established by and for each such community pursuant to this Act within the meaning of any provisions thereof. In this event the agency designated shall cooperate with the planning commission of each community in formulating development plans. The councils of the communities involved shall have the power to contract with each other in order to carry out the plan approved.

SECTION 20. *Additional Conferred Powers.*

The powers conferred by this Act shall be in addition and supplemental to the powers conferred by any other law.

SECTION 21. *Severability of Provisions.*

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid the remainder of the Act, or the Application of such provision to other persons or circumstances, shall not be affected thereby.

SECTION 22. Whereas, The Federal Housing Act of 1949 endeavors to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, and to provide adequate housing needed for urban and rural non-farm families of low income, and

Whereas, Legislation demands certain organization and preparation of detailed plans before application for Federal funds, and

Whereas, Federal funds are available July 1, 1950, and interested Kentucky cities should have all the time possible to prepare their application, an emergency is declared to exist, and this Act shall take effect upon its passage and the approval of the Governor.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Mrs. M. E. Burnett	Paul E. Hayes
Sidney Baer	Charles W. Burnley	John A. Head
Clarence J. Barnum	Stanley Carter	Harold G. Helm
C. E. Baumgardner	R. Josh Cosby	William K. Henry
Leonard T. Bean	B. H. Crider	E. R. Hilton
John D. Beatty	Owen Deering	Woodrow W. Hollan
Fred Beshear	G. I. Drury	W. M. Horn
R. O. Blevins	Thomas R. Duncan	Richard R. Houpt
L. E. Bradley	Mitchell S. Fannin	Robert N. Hubbard
Edward O. Bridgers	Henry C. Hale	Paul S. Jonas
Thomas L. Britton	C. A. Hammons	Barkley Jones
Charles J. Bronston	James P. Hanratty	William Jones
J. D. Buckman, Jr.	George F. Harris	James W. Lambert

Mrs. J. T. Linton	C. S. Nabb	Joseph T. Snapp
A. L. (Chick) Love	James H. Polsgrove	Roy Steers
Harry K. Lowman	Leonard W. Preston	W. R. Stringer
True Mackey	Hobart Rayburn	M. G. Thompson
Damon Majors	W. R. Reasor	Fred M. Warns
G. Lee McClain	Carl J. Ruh	Harry Lee Waterfield
Jack McPherron	Amos Runyan	Lyle H. Webb
Archie R. Moore	Paul E. Shamon	Morris Weintraub
Walter R. Moorman	Gus Sheehan, Jr.	G. F. Williamson
Fred H. Morgan	Jesse H. Shelton	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 458. AN ACT appropriating money out of the General Expenditure Fund for the fiscal year ending June 30, 1950, for expenses of sessions of the General Assembly, and declaring an emergency.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. There is hereby appropriated out of the funds in the General Expenditure Fund not otherwise appropriated for the fiscal year ending June 30, 1950, the sum of One Hundred Thousand Dollars (\$100,000.00) for expenses of Sessions of the General Assembly.

2. Whereas, there is insufficient funds on hand for the expense of Legislative Sessions for the fiscal year ending June

30, 1950, and it is necessary that funds be immediately provided for this Session of the General Assembly, an emergency is declared to exist and this Act shall take effect from and after its passage and approval by the Governor.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Charles J. Bronston	C. A. Hammons
Edgar Arnett	J. D. Buckman, Jr.	James P. Hanratty
Sidney Baer	Mrs. M. E. Burnett	George F. Harris
Clarence J. Barnum	Charles W. Burnley	John A. Head
C. E. Baumgardner	Alex Calvert	William K. Henry
Leonard T. Bean	Stanley Carter	E. R. Hilton
John D. Beatty	Paul Combs	Woodrow W. Hollan
Fred Beshear	R. Josh Cosby	W. M. Horn
R. O. Blevins	Owen Deering	Richard R. Hought
L. E. Bradley	G. I. Drury	Robert N. Hubbard
Edward O. Bridgers	Thomas R. Duncan	Silas Jacobs

Paul S. Jonas	Fred H. Morgan	Joseph T. Snapp
Barkley Jones	C. S. Nabb	John M. Spaulding
William Jones	James H. Polsgrove	J. Claude Stacy
James W. Lambert	Hobart Rayburn	Roy Steers
Jesse H. Lawrence	W. R. Reasor	Raymond D. Stigall
Mrs. J. T. Linton	Carl J. Ruh	Mrs. Thelma Stovall
Harry K. Lowman	Amos Runyan	W. R. Stringer
True Mackey	Dr. Roy Sanders	M. G. Thompson
Damon Majors	LeRoy Saylor	Rev. T. H. Tinsley
G. Lee McClain	Roy Searcy	Ralph N. Walter
Jack McPherron	Paul E. Shannon	Fred M. Warns
Archie R. Moore	Gus Sheehan, Jr.	Lyle H. Webb
Emmett G. Moore	Jesse H. Shelton	G. F. Williamson
Walter R. Moorman		—73

Those who voted in the negative were—

A. L. (Chick) Love Morris Weintraub —2

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 389. AN ACT relating to the training and certification of public school personnel.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Section 161.040, Kentucky Revised Statutes, hereby is amended by repealing said Section in its entirety and re-enacting said Section so that as re-enacted it will read as follows, to-wit:

No person shall receive or hold any certificate who does not present evidence of good moral character or who is under eighteen (18) years of age.

2. Sections 161.050, 161.060, 161.070, 161.080, and 161.090 of the Kentucky Revised Statutes hereby are repealed. The validity of any certificate which is in force on June 30, 1950, shall not be impaired by the provisions of this Act and such certificate shall be issued, renewed or extended in accordance with the terms of the law applying at the date of issue of such certificate.

3. Section 161.130 of the Kentucky Revised Statutes hereby is amended by repealing said Section in its entirety and re-enacting said Section so that as re-enacted, it will read as follows, to-wit:

A fee of four dollars (\$4) shall be paid for each certificate valid for three or more years, and a fee of two dollars (\$2) for each renewal thereof and for each emergency certificate.

All fees collected under this Section shall be paid into the State Treasury through the Department of Finance and shall be credited to an Agency Fund Account for the Department of Education under the provisions of Section 45.140 of the Kentucky Revised Statutes and shall be withdrawn or expended as provided in said Section.

WHEREAS it is necessary for the State Department of Education to adjust its procedures, forms, blanks, and regulations in accordance with this Act before July 1, an emergency is hereby declared to exist, and this Act shall become effective immediately upon its passage and approval by the Governor.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	E. R. Hilton	Leonard W. Preston
Edgar Arnett	Woodrow W. Hollan	Hobart Rayburn
Sidney Baer	Richard R. Houpt	W. R. Reasor
Clarence J. Barnum	Robert N. Hubbard	Carl J. Ruh
C. E. Baumgardner	Silas Jacobs	Amos Runyan
Leonard T. Bean	Paul S. Jonas	LeRoy Saylor
John D. Beatty	Barkley Jones	Roy Searcy
Fred Beshear	William Jones	Paul E. Shannon
R. O. Blevins	James W. Lambert	Gus Sheehan, Jr.
L. E. Bradley	Jesse H. Lawrence	Jesse H. Shelton
Edward O. Bridgers	Mrs. J. T. Linton	Joseph T. Snapp
Charles J. Bronston	A. L. (Chick) Love	J. Claude Stacy
Mrs. M. E. Burnett	Harry K. Lowman	Roy Steers
Charles W. Burnley	True Mackey	Raymond D. Stigall
Alex Calvert	Damon Majors	Mrs. Thelma Stovall
Stanley Carter	G. Lee McClain	W. R. Stringer
R. Josh Cosby	Jack McPherron	M. G. Thompson
Owen Deering	Archie R. Moore	Rev. T. H. Tinsley
G. I. Drury	Emmett G. Moore	Ralph N. Walter
Thomas R. Duncan	Walter R. Moorman	Fred M. Warns
James P. Hanratty	Fred H. Morgan	Harry Lee Waterfield
George F. Harris	C. S. Nabb	Lyle H. Webb
John A. Head	Dr. C. E. Palmore	G. F. Williamson
Harold G. Helm	James H. Polsgrove	Charles W. Wirsch
William K. Henry		

—73

There voted in the negative—

C. A. Hammons

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 432. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

WHEREAS, nonresidents of the Commonwealth of Kentucky and corporations which do not have their principal places of business in the Commonwealth of Kentucky have failed to pay taxes to the Commonwealth of Kentucky commensurate with those imposed upon residents of the Commonwealth of Kentucky; and,

WHEREAS, nonresidents of the Commonwealth of Kentucky and corporations which do not have their principal place of business in the Commonwealth of Kentucky have thereby obtained an unfair and unconscionable advantage over residents of the Commonwealth of Kentucky in the supplying of labor, services, supplies, material, equipment, goods and merchandise to the Commonwealth of Kentucky and subdivisions, institutions and agencies thereof; and,

WHEREAS, the General Assembly has found it necessary and desirable to equalize the tax burden upon residents and nonresidents and, further, to increase the revenues of the Commonwealth of Kentucky by effecting such equalization;

NOW, THEREFORE;

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Each nonresident of the Commonwealth of Kentucky and each corporation which does not have its principal place of business in the Commonwealth of Kentucky shall pay a tax of five (5%) per cent of the purchase price of all labor, services, supplies, material, equipment, goods and merchandise sold to the Commonwealth of Kentucky or any political subdivision thereof or any institution or agency of the Commonwealth of Kentucky or a subdivision of the Commonwealth.

Section 2. The tax provided for by this chapter shall be collected by a withholding of the amount of the tax from the purchase price of any labor, services, supplies, material, equipment, goods and merchandise. The Commonwealth of Kentucky or any political subdivision or any institution or agency of the Commonwealth or subdivision of the Commonwealth shall remit the tax thus withheld to the Treasurer of Kentucky, and the tax shall become and be a part of the general funds of the Commonwealth.

Section 3. Any person, partnership, corporation or business entity subject to the tax provided by this chapter shall have the right to exclude from its gross income, as such is defined in KRS 141.010 et seq., all funds which have been subjected to a tax pursuant to this chapter.

Section 4. Neither labor, services, supplies, material, equipment, goods and merchandise nor the purchase price thereof shall be subject to the taxes imposed by KRS 132.010 et seq. if such shall have been subjected to or shall become subject to the taxes imposed by this chapter.

Section 5. The word resident as used herein shall mean any person who has had his actual or habitual place of abode in the Commonwealth of Kentucky for at least one year preceding the date of filing of a bid or offer of sale with the Commonwealth of Kentucky or any political subdivision thereof or any institution or agency of the Commonwealth or a subdivision of the Commonwealth.

Mr. Cosby moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Mr. Waterfield moved that the vote by which the Previous Question was ordered be reconsidered.

Said motion was disagreed to.

Mr. Waterfield raised the point of order that although the electrician had disconnected the clock in the House Chamber, 12 o'clock midnight had arrived, thus ending a legislative day, and the House should now adjourn.

The Speaker ruled the point of order as raised by Mr. Waterfield not well taken.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and rejected.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Edgar Arnett	George F. Harris	J. Claude Stacy
Sidney Baer	Walter R. Moorman	Raymond D. Stigall
Clarence J. Barnum	James H. Polsgrove	Mrs. Thelma Stovall
C. E. Baumgardner	Jesse H. Shelton	G. F. Williamson

Those who voted in the negative were—

Bernam Adams	W. M. Horn	Amos Runyan
Bill Adams	Barkley Jones	Dr. Roy Sanders
John D. Beatty	William Jones	LeRoy Saylor
L. E. Bradley	A. L. (Chick) Love	Roy Searcy
Charles W. Burnley	Harry K. Lowman	Joseph T. Snapp
Stanley Carter	Damon Majors	Roy Steers
R. Josh Cosby	G. Lee McClain	W. R. Stringer
C. A. Hammons	Jack McPherron	M. G. Thompson
John A. Head	Emmett G. Moore	Harry Lee Waterfield
Harold G. Helm	Dr. C. E. Palmore	Lyle H. Webb
E. R. Hilton	Leonard W. Preston	Charles W. Wirsch
W. W. Hollan	Carl J. Ruh	—35

And so said bill was rejected.

Mr. Hanratty moved that the rules be suspended for the purpose of introducing bills.

Said motion was agreed to by a majority of the members elected.

Thereupon, bills of the following titles were introduced, viz:

By Mr. Calvert.

H. B. No. 482. AN ACT proposing amendment of Section 135 of the Constitution of the Commonwealth of Kentucky, relating to courts and their jurisdiction.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. It is hereby proposed that Section 135 of the Constitution of the Commonwealth of Kentucky be amended so as to read as follows:

No courts save those provided for in this Constitution shall be established, except that the General Assembly may, if it

deems proper, establish, where needed, courts for the purpose of dealing with juveniles, domestic relations or traffic laws, and minor civil disputes, the same to be under the supervision of the regularly constituted courts; and further, if it deems necessary, the General Assembly may continue, limit, change or abolish the civil or criminal jurisdiction of the present magistrate courts and those of Justices of the Peace.

Sec. 2. The above amendment shall be submitted to the voters at the time and in the manner provided for under Sections 256 and 257 of the Constitution and Sections 118.170 and 118.430 of the Kentucky Revised Statutes.

By Mr. Henry.

H. B. No. 483. AN ACT relating to police officers of cities of the fourth, fifth and sixth classes, amending Sections 95.740 and 95.800 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 95.740 of the Kentucky Revised Statutes is amended to read as follows:

(1) The chief of police and every member of the police force in cities of the fourth and fifth classes may, whether directed to them or not, execute warrants of arrest, processes, subpoenas and attachments for witnesses. They may arrest as prescribed by law for offenses against ordinances or municipal regulations of the city, and shall have the same power of arrest for offenses against the state as a sheriff.

(2) Their jurisdiction shall be coextensive with the city, and extend one mile beyond its limits.

(3) The chief of police and members of the police force shall be entitled to the same fees, and the same remedies for collecting them, that are allowed by law to sheriffs and other officers for similar services, but the city legislative body may,

by ordinance, direct that the fees be paid into the city treasury when the chief of police and members of the police force are employed on a salary.

(4) The chief of police may appoint deputies, by and with the advice and consent of the city legislative body, who shall have the same powers and duties as the chief of police except that they shall not command the police force.

(5) The chief of police may appoint special or extra police, by and with the advice of the mayor. These special or extra police, appointed for less than a week, shall take the oath prescribed by law but shall not be required to execute bond.

Sec. 2. Section 95.800 of the Kentucky Revised Statutes is amended to read as follows:

(1) The police in cities of the sixth class shall be under the direction and control of the city marshal.

(2) The marshal shall have the powers of a sheriff for the suppression of any riot, disturbance of the peace or resistance to law or authority. His lawful orders shall be promptly executed by deputies, police and watchmen of the city, and citizens shall lend him aid when required for the arrest of offenders and maintenance of public order.

(3) His jurisdiction shall be coextensive with the city, and extend one mile beyond its limits.

(4) He may execute and return process issued to him by any legal authority. He shall receive the same fees as a constable for the service of process.

(5) He may, with the approval of the board of trustees, appoint deputy marshals. The only compensation of a deputy marshal shall be fees for service of process, which shall be the same as allowed to the marshal. The marshal and his sureties shall be responsible for the acts of his deputies.

(6) He may, with the approval of the board of trustees, appoint additional policemen necessary to preserve public order, who shall serve for one day only.

(7) He shall have charge of city prisoners, and of the chain gang if one is established by the board of trustees.

(8) He shall prosecute all violations of city ordinances before the police court.

(9) The marshal shall perform such other duties as the city ordinances require.

By Messrs. Lowman and Hayes.

H. B. No. 484. AN ACT providing for the payment to constitutional state officers; creating a Revolving Fund for the purpose of paying such expenses; and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Secretary of State, Attorney General, State Treasurer, Commissioner of Agriculture, Labor and Statistics, Superintendent of Public Instruction, Auditor of Public Accounts, and Clerk of the Court of Appeals shall each be paid out of the State Treasury, each month, the sum of \$150, which is hereby declared to be the reasonable equivalent of the travel, food and lodging expenses which each such officer will incur each month in the performance of his official duties. The payments shall be made out of the Revolving Fund created by Section 2 of this Act.

Sec. 2. There hereby is created a Revolving Fund in the State Treasury to be designated the "Constitutional State Officers' Expense Account," and there hereby is appropriated to this Revolving Fund, each year, the revenue derived from the corporation organization tax and notary public fees paid into the State Treasury through the Secretary of State, to the amount of \$12,600 per year.

Sec. 3. Whereas, present economic conditions are such as to impose an unconscionable burden upon the constitutional

state officers, and to create a threat to the expeditious administration of government, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

By Mr. Harris.

H. B. No. 485. AN ACT relating to Workmen's Compensation.

Said bill s as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That subsection (2) of section 342.220 of the Kentucky Revised Statutes is amended to read as follows:

The Members shall give full time to the work of the Board and shall receive \$5000.00 annually for their services.

Section 2. This Act shall take effect in June 30, 1950.

By Mr. Preston.

H. B. No. 486. AN ACT providing for an inquiry into and investigation of the affairs and activities of the State Textbook Commission; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; and providing for an appropriation and disposal of funds for such committee.

Said bill is as follows, viz:

WHEREAS, there are rumors of dissatisfaction concerning the methods and procedures used by the State Textbook Commission in the adoption of textbooks; and

WHEREAS, newspaper publicity has been given alleged improprieties and errors of judgment in connection with the adoption of textbooks; and

WHEREAS, there have been some indications that contracts for textbooks have not been awarded to the lowest and best bidders, and unfair and inequitable allocation of contracts has been made, and the safeguards provided by statute have not been observed by the State Textbook Commission;

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. There hereby is created a Joint Interim Committee of the General Assembly, to be composed of three members of the House of Representatives to be appointed by the Speaker of the House of Representatives, and two members of the Senate to be appointed by the President of the Senate, which committee shall constitute a Committee of the General Assembly and, in addition to the powers hereinafter specifically enumerated, shall possess all of the powers granted by Section 39 of the Constitution and by Sections 6.072 and 6.080 of the Kentucky Revised Statutes.

Sec. 2. The Committee is authorized, empowered and directed to make and conduct a thorough and complete investigation, study and survey of the methods, practices, and procedures employed in the selection of school textbooks by the State Textbook Commission, and to submit to the 1952 General Assembly a full and comprehensive report thereof. In conducting such investigation, study and survey, the members and authorized employes of the committee shall have access to the records, offices and files of the State Textbook Commission and of the State Department of Education, and shall have power to make such audits and make photostatic or other copies of such documents, papers or records as the committee deems necessary or desirable.

Sec. 3. The Committee is authorized and empowered to employ accountants, attorneys, stenographic and clerical assistants, and such other skilled assistants as it may deem necessary and expedient for the performance of its duties, and to

purchase or otherwise acquire necessary equipment and supplies.

Sec. 4. The committee shall have full and plenary powers to subpoena, demand the presence of, and examine under oath administered by the chairman of the committee, any and all members of the State Textbook Commission, any and all persons having or who have had transactions, dealings or contracts, directly or indirectly, with the Commission, and any other person deemed to possess any knowledge or information pertinent to the inquiry and the investigation being conducted. The committee shall have the further power to require any and all persons subpoenaed by it to appear at the time and place mentioned in the subpoena, and the power to require by subpoena the production of any books, papers, documents, contracts, records or data or written matter deemed pertinent to the inquiry and investigation. The committee shall have the further power to receive evidence by deposition and to provide for the taking of depositions in this state or elsewhere, and for the purpose of taking depositions may delegate any member or employe of the committee to conduct the taking of the deposition.

Sec. 5. The committee shall have authority to reimburse its members and employes for actual and necessary traveling expenses, telephone and telegraph expenses, and similar expenses incurred in the performance of the duties of the committee.

Sec. 6. The committee is authorized and empowered to conduct hearings at any place within this state or elsewhere, and to adopt rules governing its meetings, hearings and procedure.

Sec. 7. The enumeration of powers hereinabove set forth shall not be construed as a limitation upon any inherent powers which the committee may possess as a legislative committee under the Constitution, statutes or common law.

Sec. 8. It shall be the duty of the sheriff of any county to serve subpoenas at the request of the committee.

Sec. 9. The committee shall proceed as rapidly as practicable with the inquiry and investigation, and report its findings to the 1952 General Assembly.

Sec. 10. There hereby is appropriated to the committee provided for by this Act, out of the General Expenditure Fund in the State Treasury, the sum of five thousand dollars, for the purpose of this Act. The chairman of the committee may at any time requisition any part or all of the sum so appropriated, and the Department of Finance, upon receiving such requisition, shall issue its warrant upon the State Treasury for the amount requisitioned. Upon receipt of such warrant, the State Treasurer shall issue his check payable to the chairman of the committee, and upon receipt of the check the chairman shall cause the amount thereof to be deposited in a bank of his selection within this state. Disbursements from the funds so placed upon deposit may be made upon checks signed by the chairman of the committee, for any purpose authorized by this Act. At the same time the report of findings of the committee is made pursuant to Section 9 of this Act, the chairman of the committee shall present an itemized statement of all disbursements of the committee from the deposited funds, and shall issue to the State Treasurer, for deposit and credit to the General Expenditure Fund, his check upon the deposited funds for any unexpended balance thereof.

Ordered that said bills be printed and referred to the Committee on Rules.

Mr. Hanratty moved that the rules be suspended for the purpose of allowing a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, the Committee on Rules, to which the same had previously been referred, reported bills and resolutions of the following titles, viz:

H. B. No. 341. AN ACT amending the provisions for the certification of clinical psychologists, through a State Board of Examiners of Psychologists.

S. B. No. 203. AN ACT relating to certain officers, deputies and assistants, and their offices in counties containing a population of 75,00 or more, including authorization to the fiscal court in such counties to appropriate funds for expenditures for certain offices and repealing KRS Sections 64.040, 64.130, 28.300, 71.070, subsections (2) and (3) of 70.030, subsections (1), (2) and (3) of 64.170 and repealing, amending and re-enacting KRS Sections 64.270 and 27.080.

H. B. No. 472. AN ACT appropriating money out of the General Expenditure Fund in the State Treasury for the fiscal year ending June 30, 1950, for the purpose of paying certain claims which have been audited and approved according to law and which have not been paid because of the lapsing of former appropriations against which such claims were chargeable.

H. B. No. 480. AN ACT relating to the acquisition of property by bill of sale or by deed by the Commonwealth.

H. B. No. 481. AN ACT relating to aviation, amending section 183.772 of the Kentucky Revised Statutes.

S. B. No. 252. AN ACT relating to the State Board of Health.

S. B. No. 248. AN ACT relating to the licensing and regulation of contractors for works projects and the letting and performance of contracts for such projects.

S. B. No. 175. AN ACT relating to Public Printing.

S. B. No. 139. AN ACT relating to the penalty for common law offenses.

S. B. No. 100. AN ACT relating to education.

H. B. No. 471. AN ACT relating to compressed or liquefied gas.

S. B. No. 255. AN ACT relating to the Disposal of Public Records.

H. B. No. 415. AN ACT relating to the appointment, duties and compensation of Official Shorthand Reporters for Circuit Courts.

H. B. No. 477. AN ACT relating to the compensation of circuit court reporters, amending Section 28.460 of the Kentucky Revised Statutes.

S. B. No. 218. AN ACT relating to the creation and establishment of public road districts in counties containing cities of the first class and in cities of the sixth class located in counties containing cities of the first class.

H. B. No. 340. AN ACT relating to divorce.

S. B. No. 229. AN ACT relating to fees allowed for the taking of depositions and performing other services, amending Section 64.290 of the Kentucky Revised Statutes.

S. B. No. 243. AN ACT relating to the times and places of holding circuit court in the second circuit court district, amending the introductory clause and subsection (2) of Section 23.050 of the Kentucky Revised Statutes.

S. B. No. 189. AN ACT relating to the State Fire and Tornado Insurance Fund, and other insurance on state property.

H. B. No. 364. AN ACT relating to exemptions from execution, attachment, garnishment, distress warrant or free-bill.

H. B. No. 440. AN ACT entitled an Act providing a tax on Greyhound racing and providing how said tax shall be levied and collected.

S. B. No. 69. AN ACT relating to telephone cooperative, nonprofit corporations, rural telephones and telephone services; and declaring an emergency.

S. B. No. 245. AN ACT relating to drugs and drug stores or pharmacies.

H. B. No. 297. AN ACT relating to judicial districts.

S. B. No. 213. AN ACT relating to the election and terms of members of boards of education.

H. B. No. 476. AN ACT relating to school funds.

H. B. No. 321. AN ACT relating to the incorporation of cities.

S. B. No. 236. AN ACT repealing and re-enacting Section 342.020 of the Kentucky Revised Statutes with reference to medical treatment at the expense of the employer.

H. B. No. 478. AN ACT relating to the regulation of the business of electrical contract in cities of the second class.

H. B. No. 408. AN ACT relating to county judges, amending section 30.150 of the Kentucky Revised Statutes.

H. Res. No. 72. A JOINT RESOLUTION authorizing G. W. Lykins and Ollie D. Lykins to sue the Commonwealth of Kentucky and the Department of Highways, or either.

H. Res. No. 70. A JOINT RESOLUTION authorizing and directing the placing of a plaque on the desk occupied by Mrs. J. Lee Moore, first woman Senator of the Commonwealth of Kentucky.

With the expression of opinion that same should pass.

Whereupon, said bills and said resolutions were each and severally read at length for the first time and

Ordered placed in the Calendar.

Mr. Hanratty moved that the House do now adjourn to meet again at 1 o'clock, p.m., Tuesday, March 14, 1950.

Said motion was agreed to.

And then the House adjourned.

TUESDAY, MARCH 14, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Edward W. Baxter, pastor of the Church of the Ascension, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Paul E. Hayes	Emmett G. Moore
Bill Adams	John A. Head	Walter R. Moorman
Edgar Arnett	Harold G. Helm	Fred H. Morgan
Sidney Baer	William K. Henry	C. S. Nabb
Clarence J. Barnum	E. R. Hilton	Dr. C. E. Palmore
C. E. Baumgardner	Ray Holbrook	James H. Polsgrove
Leonard T. Bean	Woodrow W. Hollan	Leonard W. Preston
John D. Beatty	Chester J. Holsclaw	Hobart Rayburn
Fred Beshear	W. M. Horn	W. R. Reasor
R. O. Blevins	Richard R. Houpt	Carl J. Ruh
L. E. Bradley	Durham W. Howard	Amos Runyan
Edward O. Bridgers	Maurice G. Howard	Dr. Roy Sanders
Thomas L. Britton	Robert N. Hubbard	LeRoy Saylor
Charles J. Bronston	Silas Jacobs	Roy Searcy
J. D. Buckman, Jr.	Paul S. Jonas	Paul E. Shannon
Mrs. M. E. Burnett	Barkley Jones	James S. Shaw
Charles W. Burnley	William Jones	Gus Sheehan, Jr.
Alex Calvert	James W. Lambert	Jesse H. Shelton
Stanley Carter	Jesse H. Lawrence	Forest Smith
Paul Combs	Mrs. J. T. Linton	Joseph T. Snapp
R. Josh Cosby	Homer E. Losey	John M. Spaulding
B. H. Crider	A. L. (Chick) Love	J. Claude Stacy
Owen Deering	Harry K. Lowman	Roy Steers
G. I. Drury	True Mackey	Raymond D. Stigall
Thomas R. Duncan	Damon Majors	Mrs. Thelma Stovall
R. C. Estep, Sr.	John Martin	W. R. Stringer
Mitchell S. Fannin	William T. Marshall	Egbert V. Taylor
Henry C. Hale	G. Lee McClain	M. G. Thompson
C. A. Hammons	Jack McPherron	Rev. T. H. Tinsley
James P. Hanratty	Alton Mitchell	Ralph N. Walter
George F. Harris	Archie R. Moore	Fred M. Warns

Harry Lee Waterfield G. F. Williamson Adron Doran,
Lyle H. Webb Charles W. Wirsch Speaker
Morris Weintraub

Mr. Baer moved that leave of absence be granted to Mr. Bailey.

Said motion was agreed to.

Mr. Hanratty moved that the reading of the Journal of the proceedings of Monday, March 13, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Hanratty moved that the rules be suspended and the House do now proceed to the Orders of the Day.

Said motion was agreed to by a majority of the members elected.

Thereupon, at the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 443. AN ACT relating to certain corporations and associations subject to supervision of the Division (or Department) of Insurance, which provide services or benefits under policies or contracts of a nature similar to insurance policies, including hospital service corporations, burial associations, and medical service corporations.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 303.010 of the Kentucky Revised Statutes is hereby amended to read as follows:

“CONSTRUCTION OF CHAPTER (1) As used in this Chapter, unless the context requires otherwise, “Director” or

“Commissioner” means the Director or Commissioner of Insurance or such other officer of the state as may be designated to exercise the functions of the state in regard to insurance.

(2) As used in KRS 303.020 to 303.080, unless the context requires otherwise, “hospital service” includes bed, board, use of operating room, ordinary medications, surgical dressings, general nursing care, and other routine procedures approved by the board of health.

(3) Hospital service corporations organized under KRS 303.020 to 303.080 shall be exempt from all provisions of the insurance laws of this state except as otherwise specifically provided in KRS 303.020 to 303.080. No amendment to the insurance laws shall apply to hospital service corporations unless the amendment specifically so states.

(4) As used in KRS 303.090 to 303.120, 303.130 to 303.150, and 303.990, unless the context requires otherwise:

(a) “Association” or “burial association” means all individuals, partnerships, cooperative and other kinds of societies, corporations and organizations of every kind, which, in consideration of the payment of dues, fees, assessments or premiums, shall issue any kind of policy (as defined in paragraph (b) of this subsection) or have in effect any bylaw under which the insured is to be provided with a funeral or funeral expenses, except those described in subsection (5) of this section; and

(b) “Policy” means any policy, certificate, agreement, bond, assurance or guarantee of a funeral benefit, issued by a burial association.

(5) KRS 303.090 to 303.150 and 303.990 do not apply to fraternal or fraternal beneficiary societies, or to assessment, life and accident insurance companies operating under the laws of this state, or to any society which pays sick or disability benefits and limits its membership to a particular class of persons or to the employees of a designated employer.

(6) As used in KRS 303.160 to 303.240, unless the context requires otherwise:

(a) "Medical service" means the general and usual services rendered and care administered by doctors of medicine. It shall not include hospital services, nursing services, the furnishing of drugs, services rendered under the Workmen's Compensation Act, or services rendered to a group under a plan that is mutually acceptable to that group and to those furnishing medical service.

(b) "Medical service plan" means a plan or arrangement under which medical services are or may be rendered to a subscriber by a licensed physician and surgeon at the expense of a medical service plan corporation.

(c) "Participating physician" means a doctor of medicine licensed to practice medicine or surgery in this state under the provisions of the Medical Practice Act who agrees in writing with the medical service plan corporation to perform the medical services specified by the corporation and at such rates of compensation as will be determined by the board of directors of the corporation and who agrees to abide by the bylaws, rules and regulations of the corporation."

Section 2. Section 303.060 of the Kentucky Revised Statutes is hereby amended to read as follows:

"APPROVAL AND REGULATION OF RATES AND EXPENSES; AGENTS REGULATED BY INSURANCE LAW. (1) The rate charged by a hospital service corporation to the contract holders for hospital service shall at all times be subject to the approval of the commissioner.

(2) In order that a corporation may remain solvent all costs or expenses in connection with the conduct of the corporation, including salaries, commissions, expense allowances, solicitation of subscribers and overhead, shall, at all times, be subject to the approval of the commissioner. No payment shall be made by a corporation except for hospital service, or for service actually rendered in the operation of the corporation.

(3) The laws of this state pertaining to the licensing of casualty insurance agents and providing penalties for violations and for suspension and revocation of license of agents and prohibiting unauthorized insurance companies from doing business

in this state, and that the contracts shall be valid nevertheless, shall apply to hospital service corporations and their agents.”

Section 3. Section 303.080 of the Kentucky Revised Statutes is hereby amended to read as follows:

“REINSURANCE OR REORGANIZATION; LIQUIDATION: (1) A hospital service corporation may be wholly re-insured by, or merged or consolidated with, or converted to, an insurance company, either stock or mutual, in accordance with such plan as may have been approved by the commissioner and by a majority of the members or certificate holders who vote thereon at a meeting of such members duly held upon notice of such purpose.

(2) The commissioner shall approve any such plan unless found by him, after a hearing thereon, that:

(a) The plan does not provide to members or certificate holders benefits and financial safeguards at least equal to those theretofore existing.

(b) The plan is unfair or inequitable to such members or certificate holders, and in which event the commissioner shall specify the particulars.

(3) Such a corporation may otherwise be liquidated and may be dissolved in the same manner as provided by laws of this state relating to general business corporations.”

Section 4. Section 303.230 of the Kentucky Revised Statutes is hereby amended to read as follows:

“DISSOLUTION OR LIQUIDATION. Any dissolution or liquidation of a medical service plan corporation shall be accomplished in the same manner as is provided by the laws of this state pertaining to the dissolution or liquidation of insurance companies.

Section 5. Section 303.240 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) The laws of this state pertaining to the licensing of casualty insurance agents and providing penalties for violations

and for suspension and revocation of license of agents and prohibiting unauthorized insurance companies from doing business in this state, and that the contracts shall be valid nevertheless, shall apply to medical service corporations and their agents.

(2) A medical service plan corporation shall be exempt from all provisions of the insurance laws of this state, except as otherwise specifically provided in KRS 303.160 to 303.240. No amendment to the insurance laws shall apply to medical service plan corporations, unless the amendment specifically so states.

(3) Nothing in KRS 303.160 to 303.240 shall be construed to modify, vary or repeal any law now in force relating to the practice of medicine and surgery, excepting only as they are inconsistent with the provisions of KRS 303.160 to 303.240."

Mr. McClain moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Mitchell S. Fannin	Emmett G. Moore
Bill Adams	C. A. Hammons	Walter R. Moorman
Edgar Arnett	James P. Hanratty	Fred H. Morgan
Sidney Baer	George F. Harris	C. S. Nabb
Clarence J. Barnum	Paul E. Hayes	Dr. C. E. Palmore
Leonard T. Bean	William K. Henry	Amos Runyan
Fred Beshear	E. R. Hilton	Roy Searcy
R. O. Blevins	Ray Holbrook	Paul E. Shannon
L. E. Bradley	W. W. Hollan	James S. Shaw
Edward O. Bridgers	Richard R. Houpt	Gus Sheehan, Jr.
Thomas L. Britton	Robert N. Hubbard	Forest Smith
Charles J. Bronston	Silas Jacobs	Joseph T. Snapp
J. D. Buckman, Jr.	Barkley Jones	Roy Steers
Charles W. Burnley	Mrs. J. T. Linton	Raymond D. Stigall
Alex Calvert	A. L. (Chick) Love	Mrs. Thelma Stovall
Stanley Carter	Harry K. Lowman	W. R. Stringer
Paul Combs	True Mackey	Egbert V. Taylor
R. Josh Cosby	Damon Majors	M. G. Thompson
G. I. Drury	G. Lee McClain	Ralph N. Walter
Thomas R. Duncan	Jack McPherron	Fred M. Warns
R. C. Estepp, Sr.	Archie R. Moore	—62

Those who voted in the negative were—

Harold G. Helm	Maurice G. Howard	William T. Marshall
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 466. AN ACT relating to taxes on legal actions, proceedings and appeals, including provisions for the disposition of the revenue derived therefrom.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. A tax of three dollars hereby is levied on each original action in the circuit court, commencing with or without original process, on each original action in other courts when the amount in controversy, exclusive of interest and costs, exceeds fifty dollars; on each appeal to the circuit or quarterly court; on each traverse of forcible entry or detainer; and on each proceeding to revive a judgment. A tax of five dollars hereby is levied on each appeal to the Court of Appeals.

Sec. 2. The revenue derived from the taxes imposed by Section 1 of this Act shall be paid into the State Treasury and credited to the General Expenditure Fund, for general state purposes.

Sec. 3. Section 142.011 of the Kentucky Revised Statutes is repealed. Any funds in the State Treasury derived from the taxes imposed by that section, and not utilized for the purposes for which such taxes were levied, shall be transferred to the credit of the General Expenditure Fund.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	Fred H. Morgan
Bill Adams	Paul E. Hayes	C. S. Nabb
Edgar Arnett	William K. Henry	Dr. C. E. Palmore
Sidney Baer	E. R. Hilton	James H. Polsgrove
Walter J. Bailey	Ray Holbrook	Leonard W. Preston
Clarence J. Barnum	W. W. Hollan	Hobart Rayburn
C. E. Baumgardner	Chester J. Holsclaw	Carl J. Ruh
Leonard T. Bean	W. M. Horn	Amos Runyan
John D. Beatty	Richard R. Houpt	Dr. Roy Sanders
Fred Beshear	Durham W. Howard	LeRoy Saylor
R. O. Blevins	Maurice G. Howard	Roy Searcy
L. E. Bradley	Silas Jacobs	Paul E. Shannon
Edward O. Bridgers	Paul S. Jonas	Gus Sheehan, Jr.
Thomas L. Britton	Barkley Jones	Jesse H. Shelton
Charles J. Bronston	Jesse H. Lawrence	Forest Smith
J. D. Buckman, Jr.	Mrs. J. T. Linton	Joseph T. Snapp
Mrs. M. E. Burnett	Homer E. Losey	Roy Steers
Charles W. Burnley	Harry K. Lowman	Raymond D. Stigall
Stanley Carter	True Mackey	Mrs. Thelma Stovall
Paul Combs	Damon Majors	W. R. Stringer
R. Josh Cosby	John Martin	Egbert V. Taylor
B. H. Crider	William T. Marshall	M. G. Thompson
Owen Deering	G. Lee McClain	Rev. T. H. Tinsley
G. I. Drury	Jack McPherron	Ralph N. Walter
Thomas R. Duncan	Alton Mitchell	Fred M. Warns
Mitchell S. Fannin	Archie R. Moore	Harry Lee Waterfield
C. A. Hammons	Emmett G. Moore	Lyle H. Webb
James P. Hanratty	Walter R. Moorman	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 452. AN ACT relating to annual reports by insurance companies other than life; amending Sections 136.340 and 136.350 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 136.340 of the Kentucky Revised Statutes is amended to read as follows:

Every stock insurance company, other than life, doing business in this state shall, on or before the first day of March of each year, return to the Director of the Division of Insurance a statement under oath of all amounts paid to the company or its representative, whether designated as premiums or otherwise, for insurance or services incident thereto, on property or risks in this state during the preceding calendar year or since the last returns were made, including amounts received for reinsurance on Kentucky risks from unauthorized companies, and shall at the same time pay into the State Treasury a tax of two dollars upon each one hundred dollars of such amounts paid to the company, less amounts returned on cancelled policies and policies not taken.

Sec. 2. Section 136.350 of the Kentucky Revised Statutes is amended to read as follows:

(1) All mutual companies other than life doing business under this law shall pay into the State Treasury on or before the first day of March in each year, a tax of two percent of all amounts paid to the company or its representative, whether designated as premiums or otherwise, for insurance or services incident thereto, including amounts paid for membership or policy dues or fees, on property or risks in this state during the preceding calendar year, including amounts received for reinsurance on Kentucky risks from unauthorized companies.

(2) In addition to the foregoing tax, mutual fire companies shall pay an annual tax as prescribed for stock fire companies by KRS 136.360.

(3) In computing premiums upon which tax is to be paid there shall be deducted, in both direct and reinsurance business, return premiums on cancelled policies and policies not taken, and dividends paid or credited to policyholders.

(4) The provisions of this section shall not apply to domestic mutual companies, cooperative or assessment fire insurance companies.

Mr. Holsclaw moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	L. E. Bradley	R. Josh Cosby
Bill Adams	Edward O. Bridgers	Owen Deering
Edgar Arnett	Thomas L. Britton	G. I. Drury
Sidney Baer	Charles J. Bronston	Thomas R. Duncan
Walter J. Bailey	J. D. Buckman, Jr.	C. A. Hammons
Clarence J. Barnum	Mrs. M. E. Burnett	James P. Hanratty
C. E. Baumgardner	Charles W. Burnley	George F. Harris
Fred Beshear	Stanley Carter	Paul E. Hayes
R. O. Blevins	Paul Combs	John A. Head

Harold G. Helm	True Mackey	Roy Searcy
William K. Henry	Damon Majors	Jesse H. Shelton
E. R. Hilton	John Martin	Forest Smith
Ray Holbrook	G. Lee McClain	Joseph T. Snapp
Woodrow W. Hollan	Jack McPherron	J. Claude Stacy
Chester J. Holsclaw	Alton Mitchell	Raymond D. Stigall
Richard R. Hought	Archie R. Moore	Mrs. Thelma Stovall
Durham W. Howard	Emmett G. Moore	W. R. Stringer
Maurice G. Howard	Fred H. Morgan	Egbert V. Taylor
Robert N. Hubbard	Dr. C. E. Palmore	Rev. T. H. Tinsley
Silas Jacobs	James H. Polsgrove	Ralph N. Walter
Barkley Jones	Leonard W. Preston	Fred M. Warns
Jesse H. Lawrence	Hobart Rayburn	Harry Lee Waterfield
Mrs. J. T. Linton	Amos Runyan	Lyle H. Webb
Homer E. Losey	Dr. Roy Sanders	
Harry K. Lowman		

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Those who voted in the negative were—

Henry C. Hale	Carl J. Ruh	Morris Weintraub
Paul S. Jonas	Gus Sheehan, Jr.	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Holsclaw moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 252. AN ACT to repeal Kentucky Revised Statutes Section 186.445 now bearing a title reading "License for child to operate motor vehicle of not more than five horsepower.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That Kentucky Revised Statutes Section 186.445 which reads as follows:

“Notwithstanding the provisions of subsection (1) of KRS 186.440, any person between the ages of fourteen and sixteen may be granted an operator’s license for the operation of a motor vehicle of not more than five horsepower.” be and the same hereby is repealed.

Mr. Bridgers moved the Previous Question.

Whereupon, the Speaker announced, “Shall the Main Question be now put?”

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	L. E. Bradley	Owen Deering
Bill Adams	Edward O. Bridgers	G. I. Drury
Edgar Arnett	Thomas L. Britton	Thomas R. Duncan
Sidney Baer	Charles J. Bronston	R. C. Estepp, Sr.
Walter J. Bailey	J. D. Buckman, Jr.	Mitchell S. Fannin
Clarence J. Barnum	Mrs. M. E. Burnett	C. A. Hammons
C. E. Baumgardner	Charles W. Burnley	George F. Harris
Leonard T. Bean	Stanley Carter	Paul E. Hayes
John D. Beatty	Paul Combs	John A. Head
Fred Beshear	R. Josh Cosby	Harold G. Helm
R. O. Blevins	B. H. Crider	William K. Henry

E. R. Hilton	Alton Mitchell	Forest Smith
W. W. Hollan	Archie R. Moore	Joseph T. Snapp
Richard R. Houpt	Emmett G. Moore	Roy Steers
Durham W. Howard	Walter R. Moorman	Raymond D. Stigall
Robert N. Hubbard	Fred H. Morgan	Mrs. Thelma Stovall
Paul S. Jonas	C. S. Nabb	W. R. Stringer
Barkley Jones	Dr. C. E. Palmore	Egbert V. Taylor
Jesse H. Lawrence	James H. Polsgrove	M. G. Thompson
Mrs. J. T. Linton	Leonard W. Preston	Rev. T. H. Tinsley
Homer E. Losey	Hobart Rayburn	Ralph N. Walter
True Mackey	Carl J. Ruh	Fred M. Warns
John Martin	Roy Searcy	Harry Lee Waterfield
William T. Marshall	Paul E. Shannon	Lyle H. Webb
G. Lee McClain	Gus Sheehan, Jr.	Charles W. Wirsch
Jack McPherron	Jesse H. Shelton	—77

Those who voted in the negative were—

Ray Holbrook Maurice G. Howard J. Claude Stacy

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 334. AN ACT relating to who may be present with the grand jury; and transcript of testimony and compensation allowed therefor amending Section 110 Carroll's Kentucky Criminal Codes (Russell's Revision 1948).

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 110 of Carroll's Kentucky Criminal Code is amended to read as follows:

Who may be present with grand jury; transcript of testimony. That no person except the Commonwealth's and county attorneys and the witness under examination shall be present while the grand jury is examining a charge, and no person whatever while they are deliberating or voting on the charge, except that authority is hereby given the Commonwealth's attorney to appoint a stenographer, who shall on order of the said Commonwealth's attorney, attend any session of the grand jury in any county of said district and be present during the examination of any witness or witnesses before the grand jury and shall make full and correct notes of the testimony of the witnesses, and, when ordered by the Commonwealth's attorney, shall transcribe same and deliver same to the Commonwealth's attorney, properly certified by said stenographer, and said transcript shall be kept by the said Commonwealth's attorney for his use; and said transcript may be introduced and used in court as competent and legal evidence for the purpose of contradicting any witness whose testimony was taken upon said hearing before said grand jury. For services said stenographer shall be paid a reasonable compensation upon an order of the circuit court, and paid by the fiscal court of the county where such services are rendered, but the compensation herein provided for shall not exceed the sum of ten dollars (\$10.00) per day for attendance upon the hearing of said grand jury and in addition thereto not exceeding 25c per each one hundred words of said transcript for services in transcribing the notes of said testimony. Said stenographer shall be required, before entering upon these duties, to qualify by taking the oath required by all officers under the Constitution of Kentucky to faithfully discharge the duties as such, and said stenographer shall further be sworn not to disclose, or make known, directly or indirectly, to any person or persons, anything that occurred, was stated or given in the evidence, or transpired, bearing upon any case or investigation before the grand jury. Said stenographer shall make out a correct and full transcript of such testimony so taken, when directed to make same by the Commonwealth's attorney, and the same shall be promptly delivered to the Commonwealth's attorney. Any person indicted by any grand jury for any crime or misdemeanor shall

have a right to procure a copy of said stenographic record or any part thereof by paying the prescribed fee for said report.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Stanley Carter	W. W. Hollan
Bill Adams	R. Josh Cosby	Chester J. Holsclaw
Edgar Arnett	B. H. Crider	W. M. Horn
Sidney Baer	Owen Deering	Richard R. Houpt
Walter J. Bailey	G. I. Drury	Maurice G. Howard
Clarence J. Barnum	Thomas R. Duncan	Robert N. Hubbard
C. E. Baumgardner	R. C. Estepp, Sr.	Barkley Jones
John D. Beatty	Mitchell S. Fannin	James W. Lambert
Fred Beshear	Henry C. Hale	Mrs. J. T. Linton
R. O. Blevins	C. A. Hammons	Homer E. Losey
Edward O. Bridgers	James P. Hanratty	Harry K. Lowman
Thomas L. Britton	George F. Harris	True Mackey
Charles J. Bronston	Paul E. Hayes	William T. Marshall
J. D. Buckman, Jr.	John A. Head	Jack McPherron
Mrs. M. E. Burnett	Harold G. Helm	Alton Mitchell
Charles W. Burnley	William K. Henry	Archie R. Moore
Alex Calvert	E. R. Hilton	Fred H. Morgan

C. S. Nabb	LeRoy Saylor	W. R. Stringer
Dr. C. E. Palmore	Roy Searcy	Egbert V. Taylor
James H. Polsgrove	Paul E. Shannon	M. G. Thompson
Leonard W. Preston	Gus Sheehan, Jr.	Rev. T. H. Tinsley
Hobart Rayburn	Forest Smith	Fred M. Warns
Carl J. Ruh	Joseph T. Snapp	Harry Lee Waterfield
Amos Runyan	Roy Steers	Lyle H. Webb
Dr. Roy Sanders	Mrs. Thelma Stovall	G. F. Williamson

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Those who voted in the negative were—

Ray Holbrook	A. L. (Chick) Love	Walter R. Moorman
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 68. A JOINT RESOLUTION providing for a complete and thorough study and survey of Child Welfare in Kentucky including existing laws relating thereto with a view of preparing a proposed Children's Code to coordinate and revise existing laws and regulations and study needs for remedial legislation in order to provide Kentucky with an effective Children's code.

Said resolution is as follows, viz:

WHEREAS, during the history of the Commonwealth various laws have been passed which affect the children; and

WHEREAS, some of these Statutes are now obsolete, obscure, and contradictory and do not meet the needs of present conditions; and

WHEREAS, many thousands of dollars of tax-supported funds are being expended by the various, and many times uncoordinated agencies; and

WHEREAS, there is a real need for proper coordination of various children's services and a redefining of the objectives;

NOW, THEREFORE

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the Legislative Research Commission be and is hereby authorized and directed to make and conduct a thorough survey of Child Welfare in Kentucky, including existing laws relating thereto together with such recommendations and changes in administrative organization, regulations or laws as may be needed to provide a complete up-to-date Children's Code for the Commonwealth.

The Governor shall appoint an Advisory Citizens Committee on Child Welfare to be composed of not less than seven (7) and not more than eleven (11) members. This Committee shall be appointed from outstanding citizens representing various groups interested in Child Welfare and with knowledge of the problems involved. This Committee shall work in close cooperation with the Legislative Research Commission or such a sub-committee as may be appointed for this particular research project and advise with the Commission and its research staff concerning child welfare problems in the State. This advisory committee on child welfare will continue in existence until March 31, 1952 whereupon its existence shall cease.

On or before December 1, 1951, the Legislative Research Commission shall report to the members of the General Assembly and to the Governor of the Commonwealth the results of the study and survey together with such recommendations as the Commission shall deem it desirable.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	G. I. Drury	Damon Majors
Bill Adams	Thomas R. Duncan	John Martin
Sidney Baer	R. C. Estep, Sr.	William T. Marshall
Walter J. Bailey	James P. Hanratty	Jack McPherron
Clarence J. Barnum	George F. Harris	Alton Mitchell
Leonard T. Bean	Paul E. Hayes	Emmett G. Moore
John D. Beatty	John A. Head	Walter R. Moorman
Fred Beshear	William K. Henry	Fred H. Morgan
R. O. Blevins	E. R. Hilton	C. S. Nabb
Edward O. Bridgers	Ray Holbrook	Dr. C. E. Palmore
Thomas L. Britton	Chester J. Holsclaw	James H. Polsgrove
J. D. Buckman, Jr.	W. M. Horn	Leonard W. Preston
Mrs. M. E. Burnett	Maurice G. Howard	Hobart Rayburn
Charles W. Burnley	Silas Jacobs	Carl J. Ruh
Alex Calvert	Barkley Jones	Amos Runyan
Stanley Carter	William Jones	LeRoy Saylor
Paul Combs	Jesse H. Lawrence	Roy Searcy
R. Josh Cosby	Mrs. J. T. Linton	James S. Shaw
B. H. Crider	A. L. (Chick) Love	Gus Sheehan, Jr.
Owen Deering	True Mackey	Jesse H. Shelton

Forest Smith	W. R. Stringer	Harry Lee Waterfield
Joseph T. Snapp	Egbert V. Taylor	Lyle H. Webb
Roy Steers	M. G. Thompson	G. F. Williamson
Raymond D. Stigall	Ralph N. Walter	Charles W. Wirsch
Mrs. Thelma Stovall	Fred M. Warns	—74

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the House do now recess until 3 o'clock, p.m.

Said motion was agreed to.

And then the House recessed.

The Hour of 3 o'clock, p.m., having arrived, the Speaker resumed the Chair and called the House to order.

Mr. Polsgrove moved that the rules be suspended and Joyse Meyers be made an Honorary Page for the 1950 Regular Session.

Said motion was unanimously agreed to.

Mr. Hanratty moved that the Rules be suspended for the purpose of allowing a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, the Committee on Rules, to which the same had previously been referred, reported bills and resolutions of the following titles, viz:

S. B. No. 270. AN ACT relating to the judicial system of this Commonwealth; creating a judicial council and a judicial conference; defining their powers and duties; providing for the

payment of expenses; making an appropriation; and repealing Sections 22.010, 22.020, 22.030 and 22.040 of the Kentucky Revised Statutes.

S. B. No. 109. AN ACT to facilitate vehicular traffic in the Commonwealth of Kentucky.

S. B. No. 129. AN ACT relating to water districts and authorizing same to acquire and develop other public projects under the terms of KRS 58.010 to 58.140 and repealing KRS 74.120.

S. B. No. 179. AN ACT relating to the licensing, inspection, and regulation of hospitals as herein defined, which includes, without limitation, hospitals, public health centers, nursing and convalescent homes and all institutions for the care of the sick.

With Committee amendment thereto.

Said Committee amendment to said bill is as follows, viz:

Amend printed copy of S. B. No. 179 on page 14, section six, line 280 after the word, "denomination," by adding the following:

Be it further provided that none of the provisions of this act or of any rule or regulation adopted pursuant thereto shall apply to a Chiropractic Hospital or Clinic owned or operated by a Chiropractor or Chiropractors in this State.

S. B. No. 250. AN ACT to repeal, amend and re-enact (Sub-section 6) of Section 132.590 of the Kentucky Revised Statutes relating to compensation of county tax commissioner; allowances by state and county for deputy hire and other authorized expenses; monthly salary advancement.

S. B. No. 85. AN ACT relating to war memorials.

S. B. No. 249. AN ACT relating to compensation of county tax commissioner's deputies, appraisors and assistants in counties containing a city of the first class.

S. B. No. 267. AN ACT relating to alcoholic beverage licenses.

S. B. No. 228. AN ACT relating to the fees of Commonwealth's witnesses in felony cases and their manner of payment.

S. Res. No. 20. RESOLUTION authorizing Esther Thomason to file suit against Board of Education of Grayson County, Ky.

S. Res. No. 21. RESOLUTION authorizing Pirtle Thomason to file suit against Board of Education of Grayson County, Ky.

S. B. No. 159. AN ACT relating to the fees of sheriffs.

S. B. No. 192. AN ACT relating to Teachers' Retirement, amending Section 161.610, KRS, providing an alternate plan of withdrawal after 30 years of service and providing for retirement irrespective of age.

S. B. No. 266. AN ACT relating to county police forces.

S. B. No. 225. AN ACT relating to sewer and drainage facilities in cities of the first class and in counties containing such cities.

With the expression of opinion that same should pass.

Whereupon, said bills and said resolutions were each and severally read at length for the first time and

Ordered placed in the Calendar.

A message was received from the Senate announcing that they had passed bills which originated in this body of the following titles, viz:

H. B. No. 90. AN ACT changing the classification of the City of Jamestown, in Russell County, and declaring an emergency.

H. B. No. 109. AN ACT changing the classification of the City of Munfordville, in Hart County.

H. B. No. 172. AN ACT changing the classification of the City of Owingsville, in Bath County.

H. B. No. 203. AN ACT changing the classification of the City of Walton, in Boone County, and declaring an emergency.

H. B. No. 215. AN ACT changing the classification of the City of London, in Laurel County.

H. B. No. 314. AN ACT changing the classification of the City of Falmouth, in Pendleton County.

H. B. No. 336. AN ACT changing the classification of the City of Shepherdsville, in Bullitt County.

H. B. No. 337. AN ACT changing the classification of the City of Augusta, in Bracken County.

H. B. No. 379. AN ACT changing the classification of the City of Lebanon Junction, in Bullitt County.

H. B. No. 439. AN ACT changing the classification of the City of Vanceburg, in Lewis County.

H. B. No. 347. AN ACT changing the classification of the City of Hodgenville, in Larue County.

H. B. No. 433. AN ACT changing the classification of the City of Salyersville, in Magoffin County, and declaring an emergency.

Ordered that said bills be delivered to the Enrolling Clerk of this House.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed resolutions and a bill which originated in that body of the following titles, viz:

S. Res. No. 34. A JOINT RESOLUTION authorizing Ruth Wilson, Owsley County, Kentucky, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Ruth Wilson, Owsley County, Kentucky, is authorized to sue the Commonwealth of Kentucky and the Department of Highways of Kentucky, or either, in the Owsley Circuit Court for property damage caused by alleged negligence on the part of the employes of the Department of Highways in the construction of State Highway No. 11.

Said suit shall be for a sum not in excess of \$2,000.

The Attorney General may investigate the claim herein and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the circuit court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this resolution shall be considered by either the court or jury as an admission of negligence upon the part of the Commonwealth, and this resolution shall not be introduced as evidence, nor commented upon by counsel in argument to the jury.

S. Res. No. 39. RESOLUTION authorizing Beeler Ringo to sue the Commonwealth of Kentucky and the State Highway Commission (now Department of Highways), either or both.

Said resolution is as follows, viz:

WHEREAS, on or about the 30th day of July, 1947, Beeler Ringo of Hickman County, Kentucky was then and there operating his automobile of which he was the owner, upon State Highway No. 51 in Fulton County, Kentucky, about two miles North of the City of Fulton at the over pass of U. S. Highway No. 51 and Illinois Central Railroad; and,

WHEREAS at said time and place a tar vat or piece of equipment used in repairs and maintenance of highways of the Commonwealth of Kentucky which was being used by the Commonwealth of Kentucky, its agents and employees in and about the business of the Department of Highways in repairs and maintenance of its highways without suitable and proper notification or warning signs and in such a careless and negligent manner as to cause Beeler Ringo to run against the same and upon the same with his automobile; and

WHEREAS as a direct and proximate result of said alleged negligence and carelessness on the part of the operators and the employees of the Department of Highways and the Commonwealth of Kentucky in the use of said equipment in repair of said highway at said time and place the said Beeler Ringo received severe wounds and injuries to his person and he is permanently injured and his power to earn money has been permanently reduced and he incurred considerable expense incident to the treatment of his injuries and his automobile was injured and damaged;

NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section I. That Beeler Ringo be and is hereby authorized, permitted and empowered to sue the Commonwealth of Kentucky and the State Highway Commission (now Department of Highways), either or both of them, in such sum as will fairly and reasonably compensate him for the injuries and damages, if any, sustained by him as a direct and proximate result of the negligence, if any, of the operators of the said tar vat or piece

of equipment used in repair of said highways at said time and place, not exceeding, however, the sum of \$5000.00 for personal injuries and the sum of \$700.00 for property damage.

Section II. That the action herein authorized and permitted may be brought in the Fulton Circuit Court, same being the Circuit Court having jurisdiction in Fulton County, Kentucky, and being the county in which the injuries and damages were incurred. Said suit shall be commenced within one year from the effective date of this Resolution and no plea of limitation shall be interposed if commenced within that time.

Section III. That any party to said action may appeal from any judgment which may be rendered by the Fulton Circuit Court to the Court of Appeals of Kentucky as in any other civil suit, and the same may be settled and adjusted by and with the consent and approval of the Attorney General of Kentucky in the same way as any civil action may be settled or adjusted. If recovery is had by suit or compromise, the amount so adjudged or compromised shall be paid by the Auditor of Public Accounts or other proper officer or agent of the Commonwealth of Kentucky by warrant drawn on the State Treasurer and paid out of the General Fund.

AFFIDAVIT and support of resolution authorizing Beeler Ringo to sue the Commonwealth of Kentucky and Department of Highways either or both.

The affiant, Beeler Ringo, says that he is white, age 69, home address, Clinton, Kentucky, and that on Wednesday, July 30, 1947 at approximately 3:00 P. M. on U. S. Highway 51 about four miles north of Fulton, Kentucky and just North of the overhead bridge he was driving his own vehicle accompanied by Mr. Gus Bran of Clinton, Kentucky. The affiant says that at said point the construction of the highway is two-lane concrete approximately 18 feet wide, running in approximate North and South direction. The road makes a slight right hand curve and is uphill for south bound traffic. The weather was clear, road dry and pavement good. The affiant was driving at about 40 miles an hour south on Highway 51. As he approached the

point of the accident he noticed smoke crossing the highway from his right to left. He did not see any signs or warning nor were there any workman or flagman present. Because of the density of smoke he slowed his car to 20 or 25 miles per hour and pulled his car as near right as possible. The affiant says that he drove his car approximately 150 feet through the smoke until he saw a large black kettle heater in the center of highway lane directly in front of him at about 12 feet distance and attached to the rear of a state highway truck and which had stopped on the pavement south in the center of south bound traffic lane. The affiant says that he was too close to avoid striking the rear of the kettle heater and his car traveling at about 25 miles per hour stopped with the impact against the kettle heater.

The affiant says that there was no flagmen out but that he later discovered a metal sign about two feet square placed on the ground two feet from the west edge of the pavement which had previously been hidden by reason of the smoke. The affiant says that his automobile, a 1940 Ford tudor sedan, was extensively damaged in the front end and right front side and that it required \$700.00 to restore it to its former condition.

The affiant says that he sustained a fracture of five ribs as well as bruises and abrasions about the head and body and he sustained a sprained right knee which incapacitated him for about six months.

Witness my hand this 16th day of February, 1950.

Beeler Ringo

Subscribed and sworn to before me by Beeler Ringo this 16th day of February, 1950.

H. W. Roberts, Jr.
Notary Public.

My commission expires 1-14-54.

S. Res. No. 42. A JOINT RESOLUTION authorizing Ray H. Tuggey, Mrs. Maude B. Tuggey, Mrs. Blanche B. Mills and Carl J. Baird to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

WHEREAS, Ray H. Tuggey, Mrs. Maude B. Tuggey, Mrs. Blanche B. Mills and Carl J. Baird claim that on or about May 24, 1949 at a point about six (6) miles from Williamsburg, Kentucky on U. S. Highway No. 25-W, a truck owned by the Department of Highways of the Commonwealth of Kentucky, which was at the time being driven and operated by an employee of said Department, collided with an automobile in which said parties were then riding, and,

WHEREAS, those parties claim that said collision was the direct and proximate result of carelessness and negligence on the part of the driver of said truck, an employee of the Department of Highways of the Commonwealth of Kentucky; and, that at the time of the said collision, the driver of said truck was in the line of his duty as such an employee, and,

WHEREAS, said Ray H. Tuggey, Mrs. Maude Tuggey, Mrs. Blanche B. Mills and Carl J. Baird and each of them claim to have sustained severe injuries and damages as the direct and proximate result of said accident and of the negligence and carelessness of the driver of said truck,

NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

(1) Ray H. Tuggey, Mrs. Maude B. Tuggey, Mrs. Blanche B. Mills and Mr. Carl J. Baird and each of them hereby are authorized to sue the Commonwealth of Kentucky in the Franklin Circuit Court for damages resulting from personal injuries and property damage, either or both, caused by the alleged negligence on the part of the employee of the Department of Highways of the Commonwealth of Kentucky while said employee was in the line of his duty as such employee. The limit of liability shall be \$10,000 for each of the persons herein above named.

The Attorney General of the Commonwealth of Kentucky may investigate the claims against the Commonwealth herein and settle such claims or either of them before or after suit is

filed if he deems it advisable. Any amount or amounts recovered in said suit or suits, by judgment or agreed upon in settlement by the Attorney General, shall be paid out of the General Fund upon warrant drawn by the Commissioner of Finance upon the State Treasury.

In the event said parties or either of them file suit or suits and a judgment or judgments are rendered in such suit or suits, either party or parties may appeal to the Court of Appeals of Kentucky as in other civil cases.

No statement in this Resolution shall be considered by either the court or jury as an admission of negligence upon the part of the Commonwealth and this Resolution shall not be introduced as evidence or commented upon by counsel in argument to the jury.

S. Res. No. 46. RESOLUTION authorizing the personal representative of Augustus Mainous, Grant Judd and William Flannery, deceased, to sue the Commonwealth of Kentucky and the Department of Highways, or either of them.

Said resolution is as follows, viz:

WHEREAS, the three deceased persons whose names are as follows, Augustus Mainous, Grant Judd, and William Flannery, were passengers in a passenger automobile on the public highway between Beattyville and Booneville, Kentucky, and near the line of same, were each and all killed at the same time by and through the negligence and carelessness of the Commonwealth of Kentucky and the Department of Highways and each of them, consisting of failing to properly protect passengers on said road then and there under the supervision, control, construction and repair of the Commonwealth of Kentucky and said Highway Department, and that the said deceased passengers in said automobile while on said highway in going from Beattyville to Booneville, Kentucky, were misled by and through the carelessness of the defendants in failing to place "Men Working" signs on said highway to apprise travellers thereon that obstructions on the said highway would probably cause them injury or death, and that the said Highway Department and its

employees, agents and representatives had negligently left and abandoned a large truck in the middle of said highway with no warning or "Men Working" signs on either side of said truck, and when it was not necessary for said truck to be in said position at the time for any construction or any work on said highway, and by and because of the facts above set out, and the fact that the place where said persons were killed was over a hill and on a curve, the car in which the three deceased persons were riding was caused to overturn being forced off the highway and struck by said truck that the passenger automobile in which they were riding was caused to turn over and skid and killed all three of the said deceased persons at one time, and that the death of each one was the direct and proximate result of the carelessness and negligence of the Commonwealth of Kentucky and Department of Highways therein and its employees, agents and servants then and there acting in behalf of said defendants.

Section 2. That said suit of the personal representatives of each of the deceaseds shall be for the sum of \$10,000.

The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth of Kentucky and the Department of Highways, or either of them, and settle said claim before or after suit is filed if he deems it advisable. Any amount recovered in said suit or by said settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasury.

In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this resolution shall be considered by either the Court or the jury as an admission of negligence upon the part of the Commonwealth of Kentucky and the Department of Highways, or either of them, and this resolution shall not be introduced as evidence, nor commented upon by counsel in the argument of the case to the jury.

S. Res. No. 48. A JOINT RESOLUTION authorizing Sam Hensley to sue the Commonwealth of Kentucky, the Department of State Police, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That said Sam Hensley is authorized to sue the Commonwealth of Kentucky, the Department of State Police, or either in the Clay Circuit Court for damages resulting from personal injuries caused by the negligence on the part of employes of the Commonwealth of Kentucky, and the Department of State Police, while said employes were acting in the line of duty.

Said suit shall be for a sum not in excess of \$10,000.

The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth herein and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the General Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the circuit court either party may appeal to the Court of Appeals of Kentucky. No statement in this resolution shall be considered by either the Court or jury as an admission of negligence upon the part of the Commonwealth and this resolution shall not be introduced as evidence, nor commented upon by counsel in argument to the jury.

S. Res. No. 49. A RESOLUTION investigating the activities of the Kentucky Aeronautics Commission.

Said resolution is as follows, viz:

A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Kentucky Department of Aeronautics, providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

WHEREAS, in an article published in the Louisville Courier-Journal of January 8, 1950, certain alleged facts concerning the affairs, activities and management of the Kentucky Department of Aeronautics were brought to light, which alleged facts, if true, are of such a serious nature as to warrant a thorough inquiry into and investigation of the affairs, activities and management of the Department of Aeronautics; and with view of establishing a policy.

WHEREAS, it is desirable that the General Assembly have full and complete information concerning the affairs, activities and management of the Department of Aeronautics in order that it may be enabled to take on behalf of the citizens of the Commonwealth any legislative action which may appear to be necessary or desirable for the protection of the interests of the Commonwealth and for the furtherance of good government; and

WHEREAS, it is the duty of the General Assembly under the Constitution to investigate irregularities, misconduct or maladministration of the affairs of the Commonwealth;

NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Speaker of the House of Representatives shall, upon the passage and approval of this Resolution, forthwith appoint a committee of five members of the House, one of whom shall be designated as chairman by the speaker, which committee shall constitute a committee of the General Assembly and, in addition to the powers hereinafter specifically enumerated, shall possess all of the powers granted by Section 39 of the Constitu-

tion and by Section 6.072 and 6.080 of the Kentucky Revised Statutes.

Sec. 2. The committee is hereby authorized, empowered and directed to fully and thoroughly inquire into and investigate the affairs, activities and management of the Kentucky Department of Aeronautics, including the conduct and acts of all officers and employes of the Department, and the conduct and acts of any and all persons having or who have had transactions, dealings or contracts, directly or indirectly, with the Department or any of its officers or employes.

Sec. 3. The committee is authorized and empowered to employ accountants, attorneys, stenographic and clerical assistants, and such other skilled assistants as it may deem necessary and expedient for the performance of its duties, and to purchase or otherwise acquire necessary equipment and supplies.

Sec. 4. The committee shall have full and plenary powers to subpoena, demand the presence of, and examine under oath administered by the chairman of the committee, any and all officers and employes of the Department of Aeronautics, any and all persons having or who have had transactions, dealings or contracts, directly or indirectly, with the Department or any of its officers or employes, and any other person deemed to possess any knowledge or information pertinent to the inquiry and investigation being conducted. The committee shall have the further power to require any and all persons subpoenaed by it to appear at the time and place mentioned in the subpoena, and the power to require by subpoena the production of any books, papers, documents, contracts, records or other data or written matter deemed pertinent to the inquiry and investigation. The committee shall have the further power to receive evidence by deposition and to provide for the taking of depositions in this state or elsewhere, and for the purpose of taking depositions may delegate any member or employe of the committee to conduct the taking of the deposition.

Sec. 5. The committee shall have authority to reimburse its members and employes for actual and necessary traveling expenses, telephone and telegraph expenses, and similar expenses incurred in the performance of the duties of the committee.

Sec. 6. The committee is authorized and empowered to conduct hearings at any place within this state or elsewhere, and to adopt rules governing its meetings, hearings and procedure.

Sec. 7. The enumeration of powers hereinabove set forth shall not be construed as a limitation upon any inherent powers which the committee may possess as a legislative committee under the Constitution, statutes or common law.

Sec. 8. The Sergeant-at-Arms of the House of Representatives and his assistants shall be at the disposal of the committee to serve subpoenas issued by the committee, and it shall be the duty of the sheriff of any county to serve subpoenas at the request of the committee.

Sec. 9. The committee shall proceed as rapidly as practicable with the inquiry and investigation and report its findings to the General Assembly before adjournment of the present session.

Sec. 10. There hereby is appropriated to the committee provided for by this Resolution, out of the General Expenditure Fund in the State Treasury for the current fiscal year, the sum of five thousand dollars, for the purposes of this Resolution. The chairman of the committee may at any time requisition any part or all of the sum so appropriated, and the Department of Finance, upon receiving such requisition, shall issue its warrant upon the State Treasury for the amount requisitioned. Upon receipt of such warrant, the State Treasurer shall issue his check payable to the chairman of the committee, and upon receipt of the check the chairman shall cause the amount thereof to be deposited in a bank of his selection within this state. Disbursements from the funds so placed upon deposit may be made upon checks signed by the chairman of the committee, for any purpose authorized by this Resolution. At the same time the report of findings of the committee is made pursuant to Section 9 of this Resolution, the chairman of the committee shall present an itemized statement of all disbursements of the committee from the deposited funds, and shall issue to the State Treasurer, for deposit and credit to the General Expenditure Fund, his check upon the deposited funds for any unexpended balance thereof.

Sec. 11. WHEREAS, it is essential that the inquiry and investigation provided for in this Resolution be made forthwith in order that the present General Assembly may take such legislative action as may be necessary or desirable for the benefit of the Commonwealth, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

S. Res. No. 53. A JOINT RESOLUTION giving legislative approval to that certain compact entered into by eleven Southern States, as amended, relative to the development and maintenance of regional educational services and schools in the Southern States in the professional, technological, scientific, literary and other fields, so as to provide greater educational advantages and facilities for the citizens in the several States who reside in such region; to declare that the State of Kentucky is a party to said compact, as amended, and that the agreements, covenants and obligations therein are binding upon said State; and appropriating funds for Kentucky's share of the cost of administrative services and operations under said compact.

Said resolution is as follows, viz:

WHEREAS, on the 8th day of February, 1948, the States of Florida, Maryland, Georgia, Louisiana, Alabama, Mississippi, Tennessee, Arkansas, Virginia, North Carolina, South Carolina, Texas, Oklahoma, Kentucky, and West Virginia developed a written Compact relative to the development and maintenance of regional educational services and schools in the Southern States in the professional, technological, scientific, literary, and other fields, so as to provide greater educational advantages and facilities for the citizens of the several States who reside within such region, which Compact has since been approved by the legislatures of eleven of these States; and

WHEREAS, the said Compact has been amended in certain respects, a copy of which Compact as amended is as follows:

THE REGIONAL COMPACT

(As Amended)

WHEREAS, the States who are parties hereto have during the past several years conducted careful investigation looking

toward the establishment and maintenance of jointly owned and operated regional educational institutions in the Southern States in the professional, technological, scientific, literary and other fields, so as to provide greater educational advantages and facilities for the citizens of the several States who reside within such region; and

WHEREAS, Meharry Medical College of Nashville, Tennessee, has proposed that its lands, buildings, equipment, and the net income from its endowment be turned over to the Southern States, or to an agency acting in their behalf, to be operated as a regional institution for medical, dental and nursing education upon terms and conditions to be hereafter agreed upon between the Southern States and Meharry Medical College, which proposal, because of the present financial condition of the institution, has been approved by the said States who are parties hereto; and

WHEREAS, the said States desire to enter into a compact with each other providing for the planning and establishment of regional educational facilities;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and obligations assumed by the respective States who are parties hereto (hereinafter referred to as "States"), the said several States do hereby form a geographical district or region consisting of the areas lying within the boundaries of the contracting States which, for the purposes of this compact, shall constitute an area for regional education supported by public funds derived from taxation by the constituent States and derived from other sources for the establishment, acquisition, operation and maintenance of regional educational schools and institutions for the benefit of citizens of the respective States residing within the region so established as may be determined from time to time in accordance with the terms and provisions of this compact.

The States do further hereby establish and create a joint agency which shall be known as the Board of Control for Southern Regional Education (hereinafter referred to as the "Board"), the members of which Board shall consist of the Governor of each State, *ex officio*, and three additional citizens

of each State to be appointed by the Governor thereof, at least one of whom shall be selected from the field of education. The Governor shall continue as a member of the Board during his tenure of office as Governor of the State, but the members of the Board appointed by the Governor shall hold office for a period of four years except that in the original appointments one Board member so appointed by the Governor shall be designated at the time of his appointment to serve an initial term of two years, one Board member to serve an initial term of three years, and the remaining Board member to serve the full term of four years, but thereafter the successor of each appointed Board member shall serve the full term of four years. Vacancies on the Board caused by death, resignation, refusal or inability to serve, shall be filled by appointment by the Governor for the unexpired portion of the term. The officers of the Board shall be a Chairman, a Vice Chairman, a Secretary, a Treasurer, and such additional officers as may be created by the Board from time to time. The Board shall meet annually and officers shall be elected to hold office until the next annual meeting. The Board shall have the right to formulate and establish by-laws not inconsistent with the provisions of this compact to govern its own actions in the performance of the duties delegated to it including the right to create and appoint an Executive Committee and a Finance Committee with such powers and authority as the Board may delegate to them from time to time. The Board may, within its discretion, elect as its Chairman a person who is not a member of the Board, provided such person resides within a signatory State, and upon such election such person shall become a member of the Board with all the rights and privileges of such membership.

It shall be the duty of the Board to submit plans and recommendations to the States from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation and maintenance of educational schools and institutions within the geographical limits of the regional area of the States, of such character and type and for such educational purposes, professional, technological, scientific, literary, or otherwise, as they may deem and determine to be proper, necessary or advisable. Title to all such educational

institutions when so established by appropriate legislative actions of the States and to all properties and facilities used in connection therewith shall be vested in said Board as the agency of and for the use and benefit of the said States and the citizens thereof, and all such educational institutions shall be operated, maintained and financed in the manner herein set out, subject to any provisions or limitations which may be contained in the legislative acts of the States authorizing the creation, establishment and operation of such educational institutions.

In addition to the power and authority heretofore granted, the Board shall have the power to enter into such agreements or arrangements with any of the States and with educational institutions or agencies, as may be required in the judgment of the Board, to provide adequate services and facilities for the graduate, professional, and technical education for the benefit of the citizens of the respective States residing within the region, and such additional and general power and authority as may be vested in the Board from time to time by legislative enactment of the said States.

Any two or more States who are parties of this Compact shall have the right to enter into supplemental agreements providing for the establishment, financing and operation of regional educational institutions for the benefit of citizens residing within an area which constitutes a portion of the general region herein created, such institutions to be financed exclusively by such States and to be controlled exclusively by the members of the Board representing such States provided such agreement is submitted to and approved by the Board prior to the establishment of such institutions.

Each State agrees that, when authorized by the legislature, it will from time to time make available and pay over to said Board such funds as may be required for the establishment, acquisition, operation and maintenance of such regional educational institutions as may be authorized by the States under the terms of this compact, the contribution of each State at all times to be in the proportion that its population bears to the total combined population of the States who are parties hereto as shown

from time to time by the most recent official published report of the Bureau of the Census of the United States of America; or upon such other basis as may be agreed upon.

This compact shall not take effect or be binding upon any State unless and until it shall be approved by proper legislative action of as many as six or more of the States whose Governors have subscribed hereto within a period of eighteen months from the date hereof. When and if six or more States shall have given legislative approval to this compact within said eighteen months period, it shall be and become binding upon such six or more States 60 days after the date of legislative approval by the Sixth State and the Governors of such six or more States shall forthwith name the members of the Board from their States as hereinabove set out, and the Board shall then meet on call of the Governor of any State approving this compact, at which time the Board shall elect officers, adopt by-laws, appoint committees and otherwise fully organize. Other States whose names are subscribed hereto shall thereafter become parties hereto upon approval of this compact by legislative action within two years from the date hereof, upon such conditions as may be agreed upon at the time. Provided, however, that with respect to any State whose constitution may require amendment in order to permit legislative approval of the Compact, such State or States shall become parties hereto upon approval of this Compact by legislative action within seven years from the date hereof, upon such conditions as may be agreed upon at the time.

After becoming effective this compact shall thereafter continue without limitation of time; provided, however, that it may be terminated at any time by unanimous action of the States and provided further that any State may withdraw from this compact if such withdrawal is approved by its legislature, such withdrawal to become effective two years after written notice thereof to the Board accompanied by a certified copy of the requisite legislative action, but such withdrawal shall not relieve the withdrawing State from its obligations hereunder accruing up to the effective date of such withdrawal. Any State so withdrawing shall *ipso facto* cease to have any claim to or ownership of any of the property held or vested in the Board or to any of the funds of the Board held under the terms of this compact.

If any State shall at any time become in default in the performance of any of its obligations assumed herein or with respect to any obligation imposed upon said State as authorized by and in compliance with the terms and provisions of this compact, all rights, privileges and benefits of such defaulting State, its members on the Board and its citizens shall *ipso facto* be and become suspended from and after the date of such default. Unless such default shall be remedied and made good within a period of one year immediately following the date of such default this compact may be terminated with respect to such defaulting State by an affirmative vote of three-fourths of the members of the Board (exclusive of the members representing the State in default), from and after which time such State shall cease to be a party to this compact and shall have no further claim to or ownership of any of the property held by or vested in the Board or to any of the funds of the Board held under the terms of this compact, but such termination shall in no manner release such defaulting State from any accrued obligation or otherwise affect this compact or the rights, duties, privileges or obligations of the remaining States thereunder.

IN WITNESS WHEREOF this Compact has been approved and signed by Governors of the several States, subject to the approval of their respective legislatures in the manner hereinabove set out, as of the 8th day of February, 1948.

STATE OF FLORIDA

BY Millard F. Caldwell

Governor

STATE OF GEORGIA

BY M. E. Thompson

Governor

STATE OF MARYLAND

BY Wm. Preston Lane, Jr.

Governor

STATE OF LOUISIANA

BY J. H. Davis

Governor

STATE OF ALABAMA

BY James E. Folsom

Governor

STATE OF TENNESSEE

BY Jim McCord

Governor

COMMONWEALTH OF VA.

BY Wm. M. Tuck

Governor

STATE OF SOUTH CAROLINA

BY J. Strom Thurmond

Governor

STATE OF OKLAHOMA

BY Roy J. Turner

Governor

STATE OF KENTUCKY

BY -----

Governor

STATE OF MISSISSIPPI

BY F. L. Wright

Governor

STATE OF ARKANSAS

BY Ben Laney

Governor

STATE OF NORTH CAROLINA

BY R. Gregg Cherry

Governor

STATE OF TEXAS

BY Beauford H. Jester

Governor

STATE OF WEST VIRGINIA

BY Clarence W. Meadows

Governor

NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That the said Compact be and the same is hereby approved and the State of Kentucky is hereby declared to be a party thereto, and the agreements, covenants, and obligations therein are declared to be binding upon the State of Kentucky.

Sec. 2. That the Governor shall sign an engrossed copy of the Compact and sufficient copies be provided so that every State approving the Compact shall have an engrossed copy.

Sec. 3. That there hereby is appropriated, out of the General Expenditure Fund in the State Treasury, for Kentucky's share of the cost of administrative services and operations of the Board of Control for Southern Regional Education, the sum of \$14,000, which sum shall be available for expenditure during the balance of the 1949-50 fiscal year and, without lapse, during the 1950-51 and 1951-52 fiscal years. Disbursement of the sum so appropriated shall be authorized by the Commissioner of Finance on requisitions of the Board of Control for Southern Regional Education.

Sec. 4. Whereas, the time within which Kentucky may enter into the Compact will shortly expire, and it is essential that this Resolution take effect at once in order that Kentucky may receive the benefits arising out of participation in the Compact, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

S. Res. 60. A JOINT RESOLUTION authorizing Charles Henderson, of Lexington, Fayette County, Kentucky, as parent, natural guardian and next friend for and on behalf of Patricia Ann Henderson, an infant under fourteen years of age, to sue the Commonwealth of Kentucky and the Board of Education of the City of Lexington, Kentucky, or either.

Said resolution is as follows, viz:

WHEREAS, on the 21st day of November, 1947, while the said Patricia Ann Henderson was a student and attending the Booker T. Washington School; said school being one of the public schools of the City of Lexington school systems and under control of and operated by the said Board of Education of the City of Lexington, Kentucky; the said Patricia Ann Henderson sustained numerous bodily burns and injuries to her person as a result of her clothing becoming ignited by a stove used in said school, with the result that the said Patricia Ann Henderson was permanently injured, and,

WHEREAS, it appears that the Board of Education of the City of Lexington, Kentucky, may be responsible for damages as a result of said injuries and burns,

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That Charles Henderson, as parent, natural guardian and next friend of Patricia Ann Henderson, be, and he is hereby authorized and permitted to sue the Board of Education of the City of Lexington, Kentucky, in the Fayette Circuit Court (Kentucky), for such damages, if any, to the person of Patricia Ann Henderson, caused as a result of the alleged negligence and carelessness on the part of the Board of Education of the City of Lexington, Kentucky, as herein set out.

2. The amount to be sued for under this resolution shall not exceed the sum of Fifteen Thousand (\$15,000.00) Dollars.

3. That in the event said Henderson shall recover any judgment against the Board of Education of the City of Lexington, Kentucky, it may appeal as in other civil cases, or if he fail to recover judgment, he may appeal as in any other civil cases.

4. That any suits so brought may be settled and adjusted by said parties, as in the manner of any other civil suit.

5. That the amount of any judgment or settlement shall be paid out of the public funds under the control of said Board of Education of the City of Lexington, Kentucky, upon its order.

6. No statement in this resolution shall be considered by either the Court or a Jury as an admission of negligence upon the part of the Board of Education of the City of Lexington, Kentucky, and this resolution shall not be introduced as evidence or commented upon by counsel in arguments to the Jury.

AFFIDAVIT

STATE OF KENTUCKY }
COUNTY OF FAYETTE } SCT.

* * * * *

To the Committee Considering a Joint Resolution Authorizing Charles Henderson, of Lexington, Kentucky, as parent, natural guardian and next friend for and on behalf of Patricia Ann Henderson, an infant under fourteen (14) years of age, to sue the Board of Education of the City of Lexington, Kentucky, and

TO WHOM IT MAY CONCERN:

The affiant, Charles Henderson, states that he is a resident of Lexington, Fayette County, Kentucky, and that he is the parent and natural guardian of Patricia Ann Henderson, age eight (8), who resides with him and is in his custody in Lexington, Fayette County, Kentucky; that on or about November 21st, 1947, while the said Patricia Ann Henderson was a student and attending the Booker T. Washington School, in Lexington, Fayette County, Kentucky, a public school and a part of the school system of the Commonwealth of Kentucky and the Board of Education of the City of Lexington, Kentucky, that Patricia Ann Henderson received severe burns and injuries to her person as a result of her clothing being ignited by an open-gas stove, being used at the time by the said Booker T. Washington School, for heating purposes. The affiant further states that at the time the said Patricia Ann Henderson received said burns and injuries she was in the lunchroom of said school, which lunchroom at the time was under the care and custody of one of the agents, servants and employees of the said Commonwealth of Kentucky, and the Board of Education of the City of Lexington, Kentucky, and that said employees, agents and servants at said time had the care, custody and control of the said Patricia Ann Henderson.

Affiant further states that at all times mentioned herein the said Booker T. Washington School was and is a public school operated and under the jurisdiction of the Commonwealth of Kentucky and the Board of Education of the City of Lexington, Kentucky; that it had employed a school principal, teachers and other servants, who were responsible for the safe maintenance and operation of said school and unto whose care and custody the students, including the said Patricia Ann Henderson, was placed, and that at said time the said principal, teachers and

employees were acting within the scope of their authority and within the course of their employment.

Affiant further states that the injuries and resulting damages to the said Patricia Ann Henderson were the result of the negligence and carelessness of the Board of Education of the City of Lexington, Kentucky, acting by and through its servants, agents and employees, who were then and there acting within the scope of their authority.

Affiant further states that the injuries received by Patricia Ann Henderson were severe burns about the body and that said injuries caused great pain and anguish and are of permanent nature and have permanently impaired and destroyed her power to earn money and that she has been injured thereby in the sum of Fifteen Thousand (\$15,000) Dollars.

Affiant further states that the negligence hereinabove complained of consisted of the maintenance of the Board of Education of the City of Lexington, Kentucky, of an open and unprotected gas stove, situated so that the students were allowed to congregate around it.

Charles Henderson

Subscribed and sworn to before me by Charles Henderson, this the 28th day of February, 1950.

My commission expires June 7, 1953.

Blanche Link Duncan

Notary Public, Fayette Co. Kentucky

S. Res. No. 62. A JOINT RESOLUTION designating the Board of Trustees of the University of Kentucky as the agency of the Commonwealth, subject to certain conditions and restrictions, to carry out such negotiations and do such other acts and things as may be necessary to administer, implement and fully carry out on behalf of the Commonwealth of Kentucky, the provisions of S. Res. No. 53 of the 1950 Regular Session of the General Assembly; and declaring an emergency.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Board of Trustees of the University of Kentucky is hereby designated as the agency of the Commonwealth of Kentucky charged with the responsibility and vested with all necessary authority, subject to the conditions and restrictions set out in Section 2 of this Resolution, to carry out the obligations, participate in the planning and negotiations, and administer the rights, benefits and privileges, devolving upon the Commonwealth of Kentucky and its citizens pursuant to the regional compact approved by Senate Resolution No. 53 of the 1950 General Assembly, and to do all such other acts and things as may be necessary or desirable to implement the provisions of said regional compact efficiently and impartially for the benefit of all citizens of the Commonwealth.

Sec. 2. In its participation in the regional compact approved by Senate Resolution No. 53 of the 1950 General Assembly, or in any other regional plan having a similar purpose, the Commonwealth of Kentucky shall not erect, acquire, develop or maintain in any manner any educational institution within its borders to which Negroes will not be admitted on an equal basis with other races, nor shall any Negro citizen of Kentucky be forced to attend any segregated regional institution to obtain instruction in a particular course of study if there is in operation within the Commonwealth at the time an institution that offers the same course of study to students of other races.

Sec. 3. WHEREAS, if the Commonwealth is to receive the full benefits of this Resolution and of the aforesaid regional compact, at the earliest practicable time, prompt action to carry out the provisions of said regional compact is necessary, an emergency is hereby declared to exist and this Resolution shall become effective immediately upon its passage and approval by the Governor.

S. B. No. 196. AN ACT repealing Section 186.445 of the Kentucky Revised Statutes, relating to operators' licenses for certain motor vehicles.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 186.445 of the Kentucky Revised Statutes is repealed.

Ordered that said resolutions and said bill be printed and referred to the Committee on Rules.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that they had examined and found to be correctly enrolled bills of the following titles, viz:

H. B. No. 24. AN ACT relating to deadly weapons.

H. B. No. 142. AN ACT providing for the employment of a county road engineer, and establishing his qualifications, and in the alternative for the employment of a county road supervisor, and establishing his qualifications, and providing for temporary employes, for examinations, for salaries, and for contracts between counties for joint employment of the same employe, and for other purposes related thereto; and amending KRS 179.020.

H. B. No. 221. AN ACT regulating the lights on vehicles; and defining words and phrases as used in Chapter 189 of the Kentucky Revised Statutes.

H. B. No. 258. AN ACT relating to motor transportation and motor vehicles.

H. B. No. 278. AN ACT relating to school taxes, by whom levied; amount of levy; when levy to be made; property subject to levy; furnishing of assessment valuations.

H. B. No. 377. AN ACT concerning the imposition, collection, disposition of license taxes; restriction on ad valorem tax-

ation; and the issuance and enforcement of licenses in cities of the first class.

H. B. No. 421. AN ACT relating to common schools with particular reference to entrance age requirements.

H. B. No. 446. AN ACT relating to income taxation.

H. B. No. 447. AN ACT relating to education; including provisions for allocation and distribution of the school equalization fund and making appropriations for such fund and other educational purposes.

H. B. No. 448. AN ACT relating to persons performing public services or duties; including provisions concerning the compensation and expenses of public officers and employes, and of other persons performing certain public services or duties, provisions for limiting the number of deputies or assistants of certain public officers; and making appropriations.

H. B. No. 449. AN ACT relating to study, survey and report concerning the requirements, needs, responsibilities and resources of the state government, providing for a Committee on Functions and Resources of State Government and for the furnishing of assistance and facilities by the Legislative Research Commission; and making an appropriation. This Act shall be known as the "Ruh Act."

H. B. No. 116. AN ACT relating to insurance; creating a Department of Insurance; providing a comprehensive Insurance Code for the Commonwealth of Kentucky; regulating and governing the business of insurance, and providing penalties for the violation of such Code; repealing KRS 296.010 through 296.990, KRS 297.010 through 297.990, KRS 298.010 through 298.990, KRS 299.080 and 288.090, KRS 300.150, KRS 301.010 through 301.140, and KRS 302.010 through 302.990; amending KRS 299.010, 299.030, 299.260; amending KRS Chapter 300; regulating reinsurance by assessment and cooperative companies, and providing for the creation of reinsurance companies by domestic mutual or assessment and cooperative companies; providing for fees to be

paid to the Department of Insurance by assessment and cooperative companies; and declaring that this act shall become effective on September 1, 1950.

H. Res. No. 69. A JOINT RESOLUTION for the benefit of officers and employees of the Senate and the House of Representatives; and declaring an emergency.

Thereupon, all other business was suspended, said bills were read at length and compared in open session and found to be correctly enrolled, and thereupon, the Speaker, in open session and in the presence of the House affixed his signature thereto.

Ordered that the Enrolling Clerk deliver said bills to the Senate.

After a time the Enrolling Clerk aforesaid delivered the original and enrolled copies of said bills duly signed by the President of the Senate, into the possession of the Chief Clerk of this House.

Ordered that said bills be delivered by the Chief Clerk to the Governor.

After a time the Chief Clerk reported that he had discharged that duty.

A message was received from the Senate announcing that they had passed bills which originated in that body of the following titles, viz:

S. B. No. 277. AN ACT relating to a Constitution Review Commission.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. There is created a Constitution Review Commission, to consist of seven members to be appointed by the Governor, one from each appellate court district in the state. The members shall be appointed for terms of four years each, commencing as of July 1, 1950, except that upon the first ap-

pointment one member shall be appointed for a term of one year, two for terms of two years, two for terms of three years, and two for terms of four years. All members shall serve until their successors are appointed and have qualified. Vacancies occurring prior to the expiration of a term shall be filled by appointment by the Governor for the unexpired term. The commission shall annually elect one of its number chairman and another secretary. The commission shall meet upon the call of the chairman or of any three members, at such time and place as may be designated in the call. The commission shall constitute an independent agency of the state government within the meaning of Chapter 12 of the Kentucky Revised Statutes.

Sec. 2. The members of the Constitution Review Commission shall serve without compensation but shall be reimbursed for their actual and necessary expenses in attending meetings of the commission and otherwise in the performance of their duties. The commission may appoint, and remove in its discretion, any assistants necessary to the discharge of its duties, and shall fix the compensation of its assistants within the limits of the appropriations made to the commission and in conformance with the personnel classification and salary schedules prescribed by the Division of Personnel.

Sec. 3. The Constitution Review Commission shall carry on a continuous program of study, review and reexamination of the Constitution of Kentucky, continuing the program initiated by the temporary commission appointed pursuant to Executive Order of the Governor on February 1, 1949. The program shall be so designed and carried on as to determine to what extent the Constitution requires amendment or revision; to analyze and appraise suggestions for amendment or revision advanced by interested persons or groups; and to secure a considered public opinion respecting proposals for amendment or revision. The commission shall prepare and propose in detail, and publicize in such manner as it deems proper, such amendments or revisions of the Constitution as in its opinion will promote the interests and welfare of the Commonwealth. The commission shall report to the General Assembly at each of its regular sessions, showing in detail the results of its labors, and setting

forth its recommendations for legislative action. If so requested by the Governor, the commission shall also report to the General Assembly at extraordinary sessions. The commission shall make such progress reports to the Governor as may be required by him. If at any time a Convention shall be held to revise or amend the Constitution, the commission shall advise and assist that body as far as may be possible, and shall report to it as and when requested.

S. B. No. 280. AN ACT relating to ad valorem tax on distilled spirits.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Notwithstanding the provisions of KRS 132.130 to 132.180 any owner or proprietor or custodian of a bonded warehouse required by law to report and pay ad valorem taxes and interest on distilled spirits, may elect to pay in one payment all taxes and interest which have accrued thereon. Once such option to pay accrued taxes and interest is exercised by the taxpayer, he shall thereafter pay annually all state and local ad valorem taxes imposed on distilled spirits for which he is liable and such taxes shall become due September 15 following the assessment date and shall become delinquent on January 1 following the assessment date. Delinquent taxes on such distilled spirits shall be subject to the same penalties as provided by law for other tangible personal property and the collecting officer shall have all of the powers and duties to collect such delinquent taxes, penalties, and interest as provided by law for other tangible personal property within such taxing jurisdiction.

S. B. No. 281. AN ACT relating to agreements with other States and Governments, and empowering the Governor to conduct the interstate relations of the Commonwealth.

Said bill is as follows, viz:

WHEREAS, the Commonwealth of Kentucky, as a sovereign State, is frequently called upon to enter into joint projects

and experiments with neighboring states, and other states and other states and governments, for the mutual advantage of the Commonwealth and such other states and governments, and

WHEREAS, regional and other associations of states have become increasingly important to the proper functioning of state government, and

WHEREAS, the Governor of the Commonwealth, as Chief Magistrate, is recognized as having certain inherent powers under the Constitution in the conduct of relations with other states, NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The Governor is charged with the conduct of the relations of the Commonwealth with other states and governments. He is empowered to approve agreements between departments or agencies of the Commonwealth, and departments or agencies of other states and governments, for the accomplishment of purposes which are authorized by law to be accomplished in this state by the department or agency entering into the agreement.

No agreement authorized by this section shall involve the expenditure of more than \$10,000 in any one year by any one department or agency, except in the case of repairs to interstate bridges. Any such expenditure shall be made from funds already budgeted to the department or agency. Nothing herein shall be construed to limit rights and powers conferred on any department or agency by existing statutes, or by statutes enacted during the 1950 session of the General Assembly.

WHEREAS, the authority of the Commonwealth of Kentucky to enter into a certain agreement now pending has been questioned, and it being necessary to execute said agreement immediately,

NOW, THEREFORE, an emergency is declared to exist and this Act shall take effect from and after its passage and approval by the Governor, or from and after such time as this Act becomes a law without the approval of the Governor.

S. B. No. 282. AN ACT relating to planning and zoning in the state capital and its environs; amending KRS 147.200, KRS 147.220, KRS 147.230, and KRS 147.250, and adding new sections.

Said bill is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 147.200 of the Kentucky Revised Statutes is amended to read as follows:

The Capital Planning and Zoning Commission shall consist of the Governor, the Commissioner of Highways, the State Highway Engineer, the Director of the Division of Parks, the Mayor of Frankfort, and two private citizens resident in the area subject to the provisions of this Act, who shall be appointed by the Governor. The Governor shall serve as Chairman. Members shall serve without pay, but may be reimbursed for their necessary expenses in the performance of their duties. The appointed members shall serve for terms of four years, subject to removal at the pleasure of the Governor.

Section 2. Section 147.220 of the Kentucky Revised Statutes is amended to read as follows:

(1) It shall be the function and duty of the Commission to prepare and approve a comprehensive plan for the physical development of that area of the capital city of the Commonwealth and its environs which is included within a circle whose center is at the Franklin County Courthouse and whose radius is three miles from the Courthouse, and to submit and recommend such plan to the Fiscal Court of Franklin County and to the legislative body of any city or cities within the said area, for adoption or rejection.

(2) Said comprehensive plan shall show and include:

(a) A master plan, as defined and provided for in KRS 100.046 to 100.051;

(b) a zoning plan and regulations and restrictions relating thereto, as defined and provided for in KRS 100.066 to 100.073; and

(c) subdivision control regulations and restrictions relating thereto, as defined and provided for in KRS 100.087 to 100.092.

(3) Where not in conflict with this Act as amended by the 1950 session of the General Assembly, the Commission shall have the same powers, and shall follow the same procedures, which have been granted to or provided for the joint planning and zoning commission of cities of the first class and counties containing such cities by KRS 100.045 to KRS 100.078 and KRS 100.087 to KRS 100.095.

Section 3. Section 147.230 of the Kentucky Revised Statutes is amended to read as follows:

The Commission may employ or contract with a qualified city planning architect who shall advise and carry out the detail work as directed by the Commission. The Commission may employ clerical or technical help, and shall pay all expenses and attendance fees of the Board of Zoning Adjustment and Appeals, hereinafter provided for, but only within the limits of the funds allotted the Commission by the General Assembly or made available to it from other sources.

Section 4. A new section of the Kentucky Revised Statutes is hereby created, to be numbered KRS 147.245 and to read as follows:

(1) A Board of Zoning Adjustment and Appeals is hereby created and established, which board shall consist of five members, none of whom shall be a member of the Commission or hold any other public office or public position. Of these members, one shall be appointed by the Governor to serve for a term of four years. Two members shall be appointed by the County Judge of Franklin County, one of whom, when first appointed, shall serve for a term of one year and one of whom shall serve for a term of four years. Two members shall be appointed by the Mayor of the City of Frankfort, one of whom, when first

appointed, shall serve a term of two years, and one of whom, when first appointed, shall serve a term of three years. Thereafter the terms of office of all such members shall be four years. Upon the expiration of the term of office of any member, the successor to such member shall be appointed within ten days by the Governor, Mayor or the County Judge, as the case may be. Vacancies occurring other than through expiration of term of office shall be filled for the unexpired term only, by the Governor, Mayor or the County Judge, as the case may be. Members may be removed by the appointing officer for inefficiency, neglect of duty, malfeasance, or improper conduct. The appointing officer shall file with the Board a written statement setting forth the reason for such removal. Each member of the Board shall be reimbursed for his necessary expenses incurred in the performance of his duties. The Board is empowered to adopt rules and regulations necessary or convenient for the transaction of its business, and it shall keep minutes and records of all its proceedings. The Commission shall furnish clerical assistance to the Board, when requested by the Board.

(2) Each member of the Board shall receive the sum of ten dollars for each of the Board meetings attended by such member, but no member of said Board shall be paid more than one hundred and fifty dollars during any fiscal year of the Board, nor for more than fifteen meetings held during any fiscal year of said board.

Section 5. A new section of the Kentucky Revised Statutes is hereby created, to be numbered KRS 147.246 and to read as follows:

Where not in conflict with this Act as amended by the 1950 session of the General Assembly, the Board shall have all duties, power and authority granted to, and shall follow the procedures provided for, the Board of Zoning Adjustment and Appeals of cities of the first class and counties containing such cities, by KRS 100.079 to KRS 100.086.

Section 6. Section 147.250 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any regulation adopted and approved under the provisions of this act shall have the force and effect of an ordinance.

(2) Penalties for violation of any such regulation may be fixed in the regulation, but no penalty shall exceed a fine of \$500, or a jail sentence of six months, or both.

Section 7. An aggrieved party shall have all the rights of appeal granted by KRS 100.031 to KRS 100.098.

Section 8. Section 4 of this Act shall not become effective until July 1, 1950.

S. B. No. 283. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

As used in Kentucky Revised Statutes 138.130 to 138.200:

"Sale" includes, in addition to its ordinary meaning, the possession of cigarettes for consumption, irrespective of how acquired. Possession of cigarettes by any person other than a manufacturer, wholesaler or retailer, as defined in Section 138.130 of the Kentucky Revised Statutes, shall be prima facie evidence of possession for consumption.

S. B. No. 286. AN ACT relating to the State Fair Board, and its powers, duties and functions, including its powers with respect to operations, activities and enterprises at times other than when the State Fair is being conducted.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 247.100 of the Kentucky Revised Statutes is amended to read as follows:

(1) The State Fair Board shall be a body corporate with the usual corporate powers. Full minutes and records shall be

kept of all meetings of the board and all official actions of the board shall be recorded therein, and such minutes and records shall constitute public records and be available at all reasonable times for public inspection.

(2) A quorum of the board shall consist of five members, and a majority of those present at any meeting of the board may act for the board upon any manner which may legally come before such meeting.

Sec. 2. Section 247.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) The State Fair Board shall appoint a manager who shall not be one of their number. The manager shall be appointed on the basis of training, ability and experience. The manager shall hold his position during the pleasure of the board, but may be removed only by an affirmative vote of six members of the board. The manager shall be responsible for the administration of the policies set by the board, shall devote his entire time and attention to the performance of such duties and work as may be required of him by law or be assigned to him by the board, and shall receive such salary, fixed on an annual basis, as the board may determine.

(2) The manager may organize such administrative divisions as may be necessary and may designate chiefs of such divisions who, under his control and supervision, shall have the duties of direction of such divisions. The manager may employ such other employees and agents as he deems necessary for the carrying out of the policies of the board and to conduct the affairs of the State Fair, and may fix the duties and compensation of any employees or agents with the approval of the board.

(3) In addition to the manager, the board may employ or contract with such other persons, firms or corporations as the board may deem necessary or desirable to accomplish its duties and functions; may fix the compensation and the terms of employment or contract of those employed or contracted with; and may assign to them such duties and responsibilities as the board may determine, including the responsibility of actual operation of any or all of the facilities under the control of the board.

(4) The manager and any persons employed under this section shall not be subject to the provisions of KRS 42.110 or 42.120.

Sec. 3. Section 247.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) The State Fair Board:

(a) Shall have the custody and control of such property as now is under its custody and control, and of such property as may hereafter be placed under its control or transferred to it by the State Property and Buildings Commission, for any purposes mentioned in this section, and the physical properties so under its custody and control or transferred to it are hereinafter referred to in this section, and in KRS 247.150 and 247.160, as the "State Fair Grounds."

(b) May erect and repair buildings on the State Fair Grounds, make any and all necessary or proper improvements, and generally carry on a program of development and extension of facilities designed to accomplish the objects defined in this section.

(c) Shall promote the progress of the state and stimulate public interest in the advantages and development of the state by providing facilities for agricultural and industrial exhibitions, public gatherings, cultural activities, and other functions calculated to advance the educational, physical and cultural interests of the public.

(d) May hold an annual fair on the State Fair Grounds, for the exhibition of agricultural, mechanical, horticultural, dairy, forestry, poultry, livestock, mineral, and all other industrial interests of the state, and prepare premium lists and establish rules of exhibition for the fair.

(2) The State Fair Board may take, acquire and hold property, and all interests therein, by deed, gift, devise, bequest, lease, or eminent domain, or by transfer from the State Property and Buildings Commission, and may dispose of any property so acquired in the manner provided by law. In the exercise of its power of eminent domain it may proceed in the manner provided in KRS 416.115 or in the manner provided in KRS 416.120.

Sec. 4. Section 247.180 of the Kentucky Revised Statutes is repealed, and in lieu thereof there is enacted the following section, to be numbered 247.180.

(1) The State Fair Board is authorized and empowered to issue and sell negotiable revenue bonds in such denominations and in such amount or amounts as may be deemed by the board to be for the best interest of the Commonwealth, for any of the following purposes:

(a) To acquire real estate to be devoted to a revenue-producing use.

(b) To pay all or any part of the expense or cost of or incidental to a building project.

(c) To defray the cost of plans, specifications, blue prints, architectural fees and other expenses authorized to be incurred under the terms of KRS 247.130 and 247.140.

(2) Any revenue bonds so issued shall bear interest at a rate not exceeding five percent per annum, payable semi-annually, and shall become due and payable not more than forty years from the date of issuance. The payment of the bonds, together with the interest thereon, may be secured by a pledge and a first lien on all of the receipts and revenue derived or to be derived, from any physical property under the control of the board. Neither the payment of any bond, nor the interest thereon issued under the authority of this section, shall constitute an indebtedness of the Commonwealth of Kentucky or of the State Fair Board, nor shall any bond or interest thereon be payable out of any fund except such funds as may be derived from rentals or other revenues derived from the operation of the properties or from such revenues as may have been or may be, available for such purpose, or purposes, by law.

(3) All bonds which may be issued by the commission under the provisions of this section shall be sold to the highest bidder after having been duly advertised in an newspaper, or newspapers, of general circulation in the Commonwealth at least once a week for three consecutive weeks, and by such advertising as the board may prescribe if it finds additional advertising is necessary.

(4) All competitive bids for the sale of such revenue bonds shall be opened and read publicly by the board or its represen-

tative at a designated place, day and hour, all of which shall be announced in the advertising made relative thereto.

(5) Except as otherwise specifically provided in this section, the board is vested with all of the rights, powers and duties set forth and enumerated under Chapter 58 of the Kentucky Revised Statutes.

(6) In the event the board issues and sells revenue bonds for a building project as authorized in KRS 247.140 and this section it may carry such insurance, including fire and wind-storm, casualty, catastrophe, use and occupancy and such other insurance as the board may deem advisable in connection with the building project, and may so obligate and bind itself in a trust indenture securing the payment of such bonds. Any such insurance shall be paid for out of the funds available for the project.

(7) All money from the sale of revenue bonds shall be paid to the State Treasurer and shall be held by him as a special trust fund to be designated as directed by the board, and no part thereof shall be withdrawn from the State Treasury except for the purposes authorized by this section, together with the cost incidental to the issuing and selling of such bonds and other expenses directly related thereto. The board may likewise provide in any trust indenture securing revenue bonds for additional terms and conditions thereof, or for other restrictions not in conflict with this section.

Sec. 5. Section 247.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) All revenues derived by the State Fair Board from the use of properties and facilities under its custody and control shall be used exclusively for the purpose of defraying the expenses of the board, the cost of the management and operation of such properties and facilities, the payment of interest and principal upon any indebtedness incurred by the board for such properties and facilities, the creation of adequate reserves for the repair and replacement thereof and for the financing of further extensions, improvements, and additions thereto. Included in the cost of operation may be such promotional activities as the State Fair Board may determine upon as calculated to stimulate and in-

crease the use and the revenues of such facilities, and to increase and stimulate the interest and usefulness of the State Fair. Any surplus revenues remaining after full provision for the above purposes shall be used to reduce the admission fees and charges to the public for attendance upon the State Fair and for public use by the citizens of the Commonwealth of the facilities of the State Fair Board, and shall on no account be appropriated to any other agency or function.

(2) The State Fair Board shall generally cause its funds to be deposited in the State Treasurer's office, to be withdrawn on appropriate vouchers approved by the board, but may create special accounts in other depositories for the purpose of securing the prompt payment of interest and principal on any of its bonded indebtedness if in the judgment of the board, or, if as determined by competitive bids, the creation of such special accounts and depositories is advantageous and economical to the board.

(3) An annual accounting of the funds of the State Fair Board shall be made by the Auditor of Public Accounts and reported to the Governor for the benefit of Governor and the General Assembly.

Sec. 6. Whereas, immediate development of the State Fair Grounds is essential to prevent economic loss and to accomplish the purposes for which the grounds were acquired, and to enable adequate preparation to be made for the 1950 State Fair, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Ordered that said bills be printed and referred to the Committee on Rules.

Mr. Hanratty moved that the rules be suspended for the purpose of reading the Calendar.

Said motion was agreed to by a majority of the members elected.

Thereupon, the House took up for consideration from the Calendar bills and a resolution of the following titles, viz;

H. B. No. 341. AN ACT amending the provisions for the certification of clinical psychologists, through a State Board of Examiners of Psychologists.

S. B. No. 203. AN ACT relating to certain officers, deputies and assistants, and their offices in counties containing a population of 75,000 or more, including authorization to the fiscal court in such counties to appropriate funds for expenditures for certain offices and repealing KRS Sections 64.040, 64.130, 28.300, 71.070, subsections (2) and (3) of 70.030, subsections (1), (2) and (3) of 64.170 and repealing, amending and re-enacting KRS Sections 64.270 and 27.080.

H. B. No. 472. AN ACT appropriating money out of the General Expenditure Fund in the State Treasury for the fiscal year ending June 30, 1950, for the purpose of paying certain claims which have been audited and approved according to law and which have not been paid because of the lapsing of former appropriations against which such claims were chargeable.

H. B. No. 480. AN ACT relating to the acquisition of property by bill of sale or by deed by the Commonwealth.

H. B. No. 481. AN ACT relating to aviation, amending section 183.772 of the Kentucky Revised Statutes.

S. B. No. 252. AN ACT relating to the State Board of Health.

S. B. No. 248. AN ACT relating to the licensing and regulation of contractors for works projects and the letting and performance of contracts for such projects.

S. B. No. 175. AN ACT relating to Public Printing.

S. B. No. 139. AN ACT relating to the penalty for common law offenses.

S. B. No. 100. AN ACT relating to education.

H. B. No. 471. AN ACT relating to compressed or liquefied gas.

S. B. No. 255. AN ACT relating to the Disposal of Public Records.

H. B. No. 415. AN ACT relating to the appointment, duties and compensation of Official Shorthand Reporters for Circuit Courts.

H. B. No. 477. AN ACT relating to the compensation of circuit court reporters, amending Section 28.460 of the Kentucky Revised Statutes.

S. B. No. 218. AN ACT relating to the creation and establishment of public road districts in counties containing cities of the first class and in cities of the sixth class located in counties containing cities of the first class.

H. B. No. 340. AN ACT relating to divorce.

S. B. No. 229. AN ACT relating to fees allowed for the taking of depositions and performing other services amending Section 64.290 of the Kentucky Revised Statutes.

S. B. No. 243. AN ACT relating to the times and places of holding circuit court in the second circuit court district, amending the introductory clause and subsection (2) of section 23.050 of the Kentucky Revised Statutes.

S. B. No. 189. AN ACT relating to the State Fire and Tornado Insurance Fund, and other insurance on state property.

H. B. No. 364. AN ACT relating to exemptions from execution, attachment, garnishment, distress warrant or fee-bill.

H. B. No. 440. AN ACT entitled an Act providing a tax on Greyhound racing and providing how said tax shall be levied and collected.

S. B. No. 69. AN ACT relating to telephone cooperative, nonprofit corporations, rural telephones and telephone services; and declaring an emergency.

S. B. No. 245. AN ACT relating to drugs and drug stores or pharmacies.

H. B. No. 297. AN ACT relating to judicial districts.

S. B. No. 213. AN ACT relating to the election and terms of members of boards of education.

H. B. No. 476. AN ACT relating to school funds.

H. B. No. 321. AN ACT relating to the incorporation of cities.

S. B. No. 236. AN ACT repealing and re-enacting Section 342.020 of the Kentucky Revised Statutes with reference to medical treatment at the expense of the employer.

H. B. No. 478. AN ACT relating to the regulation of the business of electrical contract in cities of the second class.

H. B. No. 408. AN ACT relating to county judges, amending section 30.150 of the Kentucky Revised Statutes.

H. Res. No. 72. A JOINT RESOLUTION authorizing G. W. Lykins and Ollie D. Lykins to sue the Commonwealth of Kentucky and the Department of Highways, or either.

H. Res. No. 70. A JOINT RESOLUTION authorizing and directing the placing of a plaque on the desk occupied by Mrs. J. Lee Moore, first woman Senator of the Commonwealth of Kentucky.

Ordered that said bills and said resolutions be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bills and said resolutions be dispensed with, and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills and said resolutions having been dispensed with, said bills and said resolutions were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 455. AN ACT relating to a program of in-service teacher training, and making an appropriation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The State Department of Education is hereby authorized to establish, direct and maintain a state-wide program of in-service teacher training. Said program shall be organized and operated for the purpose of improving instruction in the public common schools and for the improvement of the leadership qualities and professional competence of principals, supervisors and teachers and for such other services in the improvement of instruction in the public common schools as may be approved from time to time by the State Board of Education on the recommendation of the Superintendent of Public Instruction. The program shall be directed and supervised by the Division of Teacher Training and Certification in accordance with a program approved by the Superintendent of Public Instruction and in accordance with the rules and regulations of the State Board of Education approved on the recommendation of the Superintendent of Public Instruction.

Sec. 2. For the purpose of administering the program provided for in this Act, there is hereby appropriated to the State Department of Education, out of the General Expenditure Fund in the State Treasury, the sum of thirty thousand dollars for each of the fiscal years of 1950-51 and 1951-52.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Alex Calvert	Ray Holbrook
Bill Adams	Stanley Carter	Woodrow W. Hollan
Edgar Arnett	Paul Combs	Chester J. Holsclaw
Clarence J. Barnum	R. Josh Cosby	W. M. Horn
C. E. Baumgardner	B. H. Crider	Richard R. Houpt
Leonard T. Bean	Thomas R. Duncan	Durham W. Howard
John D. Beatty	Mitchell S. Fannin	Maurice G. Howard
Fred Beshear	Henry C. Hale	Robert N. Hubbard
R. O. Blevins	C. A. Hammons	Barkley Jones
L. E. Bradley	James P. Hanratty	William Jones
Edward O. Bridgers	George F. Harris	Jesse H. Lawrence
Thomas L. Britton	Paul E. Hayes	Mrs. J. T. Linton
Charles J. Bronston	John A. Head	Homer E. Losey
J. D. Buckman, Jr.	Harold G. Helm	A. L. (Chick) Love
Mrs. M. E. Burnett	William K. Henry	True Mackey
Charles W. Burnley	E. R. Hilton	Damon Majors

John Martin	Hobart Rayburn	Roy Steers
G. Lee McClain	Carl J. Ruh	Raymond D. Stigall
Jack McPherron	Amos Runyan	Mrs. Thelma Stovall
Alton Mitchell	LeRoy Saylor	W. R. Stringer
Archie R. Moore	Roy Searcy	Egbert V. Taylor
Emmett G. Moore	Paul E. Shannon	M. G. Thompson
Walter R. Moorman	James S. Shaw	Rev. T. H. Tinsley
Fred H. Morgan	Jesse H. Shelton	Ralph N. Walter
C. S. Nabb	Forest Smith	Harry Lee Waterfield
Dr. C. E. Palmore	Joseph T. Snapp	Lyle H. Webb
Leonard W. Preston	J. Claude Stacy	Morris Weintraub

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 51. AN ACT relating to poultry and hatching eggs.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 257.450 of the Kentucky Revised Statutes is amended to read as follows:

All poultry of whatever age or species and all hatching eggs that are sold or offered for sale within this State or enter into this State not in compliance with the provisions of KRS 257.370 to 257.460 shall be quarantined by the Livestock Sanitary Division. Where possible the division shall make the tests necessary to determine whether or not pullorum disease is present in any of the quarantined poultry. With respect to all other poultry where tests are not possible, and to hatching eggs, suf-

ficient proof must be presented that they have originated from approved flocks. The poultry or flocks found to be infected with pullorum disease, and the poultry and hatching eggs lacking the required proof of origin from approved flocks shall be destroyed.

Sec. 2. A new section of the Kentucky Revised Statutes is created to read as follows:

For the purpose of enforcing the provisions of KRS 257.330 to 257.440 the inspectors of the Livestock Sanitary Division shall have free access to any premises or vehicles for the purpose of inspection.

Mr. William Jones moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John D. Beatty	J. D. Buckman, Jr.
Bill Adams	Fred Beshear	Mrs. M. E. Burnett
Edgar Arnett	R. O. Blevins	Charles W. Burnley
Sidney Baer	L. E. Bradley	Alex Calvert
Clarence J. Barnum	Thomas L. Britton	Stanley Carter
C. E. Baumgardner	Charles J. Bronston	Paul Combs

R. Josh Cosby	Silas Jacobs	Carl J. Ruh
B. H. Crider	Paul S. Jonas	Amos Runyan
G. I. Drury	Barkley Jones	LeRoy Saylor
Thomas R. Duncan	William Jones	Roy Searcy
Mitchell S. Fannin	Jesse H. Lawrence	Paul E. Shannon
Henry C. Hale	Mrs. J. T. Linton	James S. Shaw
C. A. Hammons	Homer E. Losey	Gus Sheehan, Jr.
James P. Hanratty	A. L. (Chick) Love	Jesse H. Shelton
George F. Harris	True Mackey	Forest Smith
Paul E. Hayes	Damon Majors	J. Claude Stacy
John A. Head	John Martin	Raymond D. Stigall
Harold G. Helm	G. Lee McClain	Mrs. Thelma Stovall
William K. Henry	Jack McPherron	W. R. Stringer
E. R. Hilton	Alton Mitchell	Egbert V. Taylor
Ray Holbrook	Archie R. Moore	M. G. Thompson
Woodrow W. Hollan	Emmett G. Moore	Ralph N. Walter
W. M. Horn	Walter R. Moorman	Fred M. Warns
Richard R. Hout	Fred H. Morgan	Harry Lee Waterfield
Durham W. Howard	C. S. Nabb	Lyle H. Webb
Maurice G. Howard	Dr. C. E. Palmore	G. F. Williamson
Robert N. Hubbard	Leonard W. Preston	

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

A message was received from the Senate announcing that they had reconsidered a bill which originated in that body of the following title, viz:

S. B. No. 46. AN ACT relating to Judicial Districts.

With an amendment thereto by way of substitute therefor as proposed and adopted by the House.

And had passed said bill with amendment thereto by way of substitute therefor as proposed and adopted by the House, with the following amendment, viz:

Page 4, Section 5, strike lines 20 through 28 and on Page 5, strike lines 29 through 36, and add in lieu thereof the following:

"Pulaski County, at Somerset, on the second Monday in January, the second Monday in February, the first Monday in May, the second Monday in June, the first Monday in September, and the second Monday in October, twenty four juridical days each.

"Rockcastle County, at Mt. Vernon the third Monday in March, the third Monday in July and the thrid Monday in November, thirty juridical days each."

Said amendment as proposed and adopted by the Senate to said amendment to said bill by way of substitute therefor as proposed and adopted by the House was then concurred in.

Said bill was then passed as amended.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Mitchell S. Fannin	Walter R. Moorman
Bill Adams	Henry C. Hale	Fred H. Morgan
Edgar Arnett	C. A. Hammons	C. S. Nabb
Sidney Baer	George F. Harris	Dr. C. E. Palmore
Clarence J. Barnum	Paul E. Hayes	Leonard W. Preston
C. E. Baumgardner	Harold G. Helm	Carl J. Ruh
Leonard T. Bean	William K. Henry	Amos Runyan
John D. Beatty	Ray Holbrook	LeRoy Saylor
Fred Beshear	Woodrow W. Hollan	Paul E. Shannon
R. O. Blevins	Richard R. Houpt	Gus Sheehan, Jr.
L. E. Bradley	Robert N. Hubbard	Jesse H. Shelton
Edward O. Bridgers	Silas Jacobs	Forest Smith
Thomas L. Britton	Paul S. Jonas	Joseph T. Snapp
Charles J. Bronston	Barkley Jones	Raymond D. Stigall
J. D. Buckman, Jr.	Mrs. J. T. Linton	Mrs. Thelma Stovall
Mrs. M. E. Burnett	Homer E. Losey	W. R. Stringer
Charles W. Brunley	A. L. (Chick) Love	Egbert V. Taylor
Alex Calvert	Harry K. Lowman	Rev. T. H. Tinsley
Paul Combs	True Mackey	Fred M. Warns
R. Josh Cosby	G. Lee McClain	Harry Lee Waterfield
B. H. Crider	Jack McPherron	Lyle H. Webb
Owen Deering	Alton Mitchell	G. F. Williamson
G. I. Drury	Emmett G. Moore	

Ordered that the Chief Clerk report the action of the House to the Senate.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 7. A JOINT RESOLUTION authorizing Mr. Cassius Stone, of Gradyville, Kentucky, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Mr. Cassius Stone is authorized to sue the Commonwealth of Kentucky and the Department of Highways of Kentucky, or either, in the Adair Circuit Court, for damages resulting from personal injuries, medical expenses, and damage to his automobile, caused by alleged negligence on the part of an employe of the Department of Highways and the Commonwealth of Kentucky, while said employe was in the line of duty.

The suit of the said Mr. Cassius Stone shall be for a sum not in excess of \$10,800.

The Attorney General of the Commonwealth of Kentucky may investigate the claims herein and settle same before or after suit is filed, if he deems it advisable.

Any amount recovered in said suits or by settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this Resolution shall be considered by either the court or the jury as an admission of negligence upon

the part of the Commonwealth, and this Resolution shall not be introduced as evidence for either party nor commented upon by counsel in argument to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	L. E. Bradley	Owen Deering
Bill Adams	Thomas L. Britton	G. I. Drury
Edgar Arnett	Mrs. M. E. Burnett	Thomas R. Duncan
Sidney Baer	Charles J. Bronston	Henry C. Hale
Clarence J. Barnum	J. D. Buckman, Jr.	C. A. Hammons
C. E. Baumgardner	Charles W. Burnley	James P. Hanratty
Leonard T. Bean	Alex Calvert	George F. Harris
John D. Beatty	Stanley Carter	Paul E. Hayes
Fred Beshear	R. Josh Cosby	John A. Head
R. O. Blevins	B. H. Crider	Harold G. Helm

William K. Henry	True Mackey	LeRoy Saylor
E. R. Hilton	Damon Majors	Roy Searcy
Ray Holbrook	John Martin	Paul S. Shannon
Woodrow W. Hollan	Jack McPherron	James S. Shaw
Richard R. Houpt	Emmett G. Moore	Gus Sheehan, Jr.
Durham W. Howard	Walter R. Moorman	Jesse H. Shelton
Robert N. Hubbard	Fred H. Morgan	Forest Smith
Silas Jacobs	C. S. Nabb	W. R. Stringer
Paul S. Jonas	Dr. C. E. Palmore	Egbert V. Taylor
Barkley Jones	James H. Polsgrove	M. G. Thompson
William Jones	Leonard W. Preston	Ralph N. Walter
Jesse H. Lawrence	Hobart Rayburn	Fred M. Warns
Mrs. J. T. Linton	Carl J. Ruh	Lyle H. Webb
A. L. (Chick) Love	Amos Runyan	Charles W. Wirsch
Harry K. Lowman	Dr. Roy Sanders	—74

There voted in the negative—

Morris Weintraub

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 26. A RESOLUTION authorizing Philip Thompson to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That said Philip Thompson, be permitted to sue the Commonwealth of Kentucky in the Metcalfe Circuit Court for

such damages as may be the direct result of the deprivation of the use of his property caused by the alleged negligence on the part of the Commonwealth of Kentucky in the maintenance of Rural Highway No. 1014 at or near his property in Metcalfe County, Kentucky.

2. The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth of Kentucky and may settle same before or after suit is filed if he deems it advisable to do so. Any amount recovered shall be paid out of the General Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer, whether recovered by a suit or by settlement with the Attorney General. This resolution shall not be considered as evidence of negligence upon the part of the Commonwealth of Kentucky, or its employes, and shall not be commented upon by the attorneys for plaintiffs in any manner whatsoever at the trial of said action before a jury. This resolution shall be deemed only authority to bring an action, not admission of negligence. The amount of recovery herein shall be limited to a sum not to exceed \$1,000. In the event of suit and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with,

said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	Woodrow W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	

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There voted in the negative—

Morris Weintraub

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 30. A RESOLUTION authorizing Elizabeth J. Crowe to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That Elizabeth J. Crowe is authorized to sue the Commonwealth of Kentucky in the Clark Circuit Court for damages to her person resulting from the collision of an automobile driven by her husband, E. G. Crowe, in which she was a passenger, and an automobile owned by the Commonwealth of Kentucky and the Kentucky State Police, and driven by Sam Buford, an agent, servant and employee of said Kentucky State Police and of said Commonwealth of Kentucky, which accident occurred on State Highway 15 in Clark County, Kentucky at a point about 7 miles east of Winchester, Kentucky on October 16, 1949, and which accident was caused by the alleged negligence of said Buford while acting within the course of his employment and within the scope of his authority.

2. Said suit shall be for a sum not in excess of \$2,000.00.

3. The Attorney General of the Commonwealth of Kentucky may investigate the claim herein and settle same before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the General Fund upon warrant drawn by the Commissioner of Finance upon the State Treasury.

4. In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

5. No statement in this Resolution shall be considered by the Court or jury as an admission of negligence on the part of

the Commonwealth or any of its officers, and this Resolution shall not be introduced as evidence nor commented upon by counsel in arguments to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Charles J. Bronston	C. A. Hammons
Bill Adams	J. D. Buckman, Jr.	James P. Hanratty
Edgar Arnett	Mrs. M. E. Burnett	George F. Harris
Sidney Baer	Charles W. Burnley	Paul E. Hayes
Clarence J. Barnum	Alex Calvert	John A. Head
C. E. Baumgardner	Stanley Carter	Harold G. Helm
Leonard T. Bean	R. Josh Cosby	William K. Henry
John D. Beatty	B. H. Crider	E. R. Hilton
Fred Beshear	Owen Deering	Ray Holbrook
R. O. Blevins	G. I. Drury	W. W. Hollan
L. E. Bradley	Thomas R. Duncan	Richard R. Houpt
Thomas L. Britton	Henry C. Hale	Durham W. Howard

Robert N. Hubbard	Emmett G. Moore	Paul E. Shannon
Silas Jacobs	Walter R. Moorman	James S. Shaw
Paul S. Jonas	Fred H. Morgan	Gus Sheehan, Jr.
Barkley Jones	C. S. Nabb	Jesse H. Shelton
William Jones	Dr. C. E. Palmore	Forest Smith
Jesse H. Lawrence	James H. Polsgrove	W. R. Stringer
Mrs. J. T. Linton	Leonard W. Preston	Egbert V. Taylor
A. L. (Chick) Love	Hobart Rayburn	M. G. Thompson
Harry K. Lowman	Carl J. Ruh	Ralph N. Walter
True Mackey	Amos Runyan	Fred M. Warns
Damon Majors	Dr. Roy Sanders	Lyle H. Webb
John Martin	LeRoy Saylor	Charles W. Wirsch
Jack McPherron	Roy Searcy	-74

Voting in the negative was—

Morris Weintraub -1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 31. A RESOLUTION authorizing E. G. Crowe to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That E. G. Crowe is authorized to sue the Commonwealth of Kentucky in the Clark Circuit Court for damages to his automobile resulting from a collision between his automobile and an automobile owned by the Commonwealth of Kentucky

and the Kentucky State Police, and driven by Sam Buford, an agent, servant and employee of said Kentucky State Police, and of said Commonwealth of Kentucky, which accident occurred on State Highway 15 in Clark County, Kentucky, at a point about 7 miles east of Winchester, Kentucky, on October 16, 1949, and which accident was caused by the alleged negligence of said Buford while acting within the course of his employment and within the scope of his authority.

2. Said suit shall be for a sum not in excess of \$1,000.00.

3. The Attorney General of the Commonwealth of Kentucky may investigate the claim herein and settle same before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the General Fund upon warrant drawn by the Commissioner of Finance upon the State Treasury.

4. In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

5. No statement in this Resolution shall be considered by the Court or jury as an admission of negligence on the part of the Commonwealth or any of its officers, and this Resolution shall not be introduced as evidence nor commented upon by counsel in arguments to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	C. A. Hammons	Emmett G. Moore
Bill Adams	James P. Hanratty	Walter R. Moorman
Edgar Arnett	George F. Harris	Fred H. Morgan
Sidney Baer	Paul E. Hayes	C. S. Nabb
Clarence J. Barnum	John A. Head	Dr. C. E. Palmore
C. E. Baumgardner	Harold G. Helm	James H. Polsgrove
Leonard T. Bean	William K. Henry	Leonard W. Preston
John D. Beatty	E. R. Hilton	Hobart Rayburn
Fred Beshear	Ray Holbrook	Carl J. Ruh
R. O. Blevins	W. W. Hollan	Amos Runyan
L. E. Bradley	Richard R. Houpt	Dr. Roy Sanders
Thomas L. Britton	Durham W. Howard	LeRoy Saylor
Charles J. Bronston	Robert N. Hubbard	Roy Searcy
J. D. Buckman, Jr.	Silas Jacobs	Paul E. Shannon
Mrs. M. E. Burnett	Paul S. Jonas	James S. Shaw
Charles W. Burnley	Barkley Jones	Gus Sheehan, Jr.
Alex Calvert	William Jones	Jesse H. Shelton
Paul Combs	Jesse H. Lawrence	Forest Smith
R. Josh Cosby	Mrs. J. T. Linton	W. R. Stringer
B. H. Crider	A. L. (Chick) Love	Egbert V. Taylor
Owen Deering	Harry K. Lowman	M. G. Thompson
G. I. Drury	True Mackey	Ralph N. Walter
Thomas R. Duncan	Damon Majors	Fred M. Warns
Mitchell S. Fannin	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch

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There voted in the negative—

Morris Weintraub

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 34. A JOINT RESOLUTION authorizing J. L. Collins and I. E. Patterson, individually, and as partners, doing business as Central Kentucky Gas Company, and Henry Ray and Frances Lee Ray, to sue the University of Kentucky and/or the Trustees of the University of Kentucky.

Said resolution is as follows, viz:

Whereas, on or about April 26, 1948, one Willie Smith, the duly constituted, appointed, and acting agent, servant and employee of the University of Kentucky, acting within the scope of his employment, was operating a certain 1946 Dodge truck, the property of the University of Kentucky, on and over U. S. Highway No. 25, near Crittenden, in Grant County, Kentucky, and

Whereas, the said Willie Smith, while so operating the said truck in, on, and over the said highway, did negligently park the same on the said highway, immediately South of a curve in said highway, in such reckless, careless and negligent manner, as not to give warning of the presence of the said motor truck on said highway, to the vehicle of the plaintiff, approaching from the North, or to any other vehicle being operated upon said highway from the North, and

Whereas, because of the said parking of the said truck in the aforementioned manner, the said Henry Ray was required to bring his vehicle to a sudden stop, in and on the said highway, and due to the sudden stop of the auto belonging to Henry Ray, a truck owned by I. E. Patterson and J. L. Collins, operated in a careful and prudent manner on and over the said U. S. Highway No. 25, rammed the rear of the car owned and operated by Henry Ray, throwing it into the negligently parked truck of the University of Kentucky, and

Whereas, due to the aforementioned reckless, careless and negligent parking of the University of Kentucky's truck, the said

Henry Ray suffered damages and injury to his automobile and to his person, in the amount of and to the extent of Six Thousand (\$6,000.00) Dollars; and

Whereas, Frances Lee Ray, as a passenger in the car belonging to Henry Ray, was severely injured in the accident, suffering great damage and injury to her person, because of the aforementioned carelessness, recklessness, and negligence of the agent, servant, and employee of the said University of Kentucky, in the amount of and to the extent of Five Thousand (\$5,000.00) Dollars; and

Whereas, J. L. Collins and I. E. Patterson, a partnership, dba Central Kentucky Gas Company, suffered damage and injury to their truck due to the aforementioned careless, reckless, and negligent parking of the University of Kentucky, its agent, servant and employee, as aforesaid, in the amount of Twelve Hundred and Seventy-Nine and 12/100 (\$1,279.12) Dollars;

Now, Therefore,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That J. L. Collins and I. E. Patterson, individually, and as partners, doing business as Central Kentucky Gas Company and Henry Ray and Frances Lee Ray, be, and each of them hereby are, authorized to sue the University of Kentucky and/or the Trustees of the University of Kentucky, in the Circuit Court of Grant County, for damages resulting from personal injuries, medical expenses and damage to an automobile and truck, caused by the alleged negligence on the part of an employee of the said University of Kentucky, while said employee was in the line of duty and acting within the scope of his employment and authority, as the result of an accident on or about April 26, 1948, in or near Crittenden, Grant County, Kentucky.

The suit of said J. L. Collins and I. E. Patterson, individually, and as partners, doing business as Central Kentucky Gas Company, shall be for a sum not to exceed Twelve Hundred and Seventy-Nine and 12/100 (\$1,279.12) Dollars.

The suit of said Henry Ray shall be for a sum not to exceed Six Thousand (\$6,000.00) Dollars.

The suit of said Frances Lee Ray shall be for a sum not to exceed Five Thousand (\$5,000.00) Dollars.

The University of Kentucky, and/or the Trustees of the University of Kentucky, may investigate the claims herein, and settle same before or after suit is filed, if it be deemed advisable so to do, but any settlement made must be approved by the Attorney General of the Commonwealth of Kentucky; any amount recovered in said suits by judgment or by settlement, as above set forth, shall be paid out of the funds of the University of Kentucky.

In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this Resolution shall be considered by either the Court or the jury as an admission of negligence upon the part of the University of Kentucky, and/or the Trustees of the University of Kentucky, and this Resolution shall not be introduced as evidence for either party, nor commented upon by counsel in argument to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	W. W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Hought	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	

—74

There voted in the negative—

Morris Weintraub

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 35. A JOINT RESOLUTION authorizing Walter Payne, of Knox County, to sue the Department of Welfare and the Commonwealth of Kentucky, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Walter Payne of Knox County is authorized to sue the Department of Welfare and the Commonwealth of Kentucky, or either, in the Knox Circuit Court, for damages resulting from mental pain and anguish and from expenses incurred caused by alleged negligence on the part of employes of the Department of Welfare and the Commonwealth of Kentucky while said employes were acting in the line of duty as such employes, the alleged negligence growing out of and connected with the death of the daughter of Walter Payne.

Said suit shall be for a sum not in excess of four thousand dollars.

The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth herein and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the General Expenditure Fund, upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky. No plea of limitations shall be interposed.

No statement in this Resolution shall be considered by either the Court or jury as an admission of negligence upon the part of the Commonwealth, and this Resolution shall not be introduced as evidence, nor commented upon by counsel in argument to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	B. H. Crider	Paul S. Jonas
Bill Adams	Owen Deering	Barkley Jones
Edgar Arnett	G. I. Drury	William Jones
Sidney Baer	Thomas R. Duncan	Jesse H. Lawrence
Clarence J. Barnum	Henry C. Hale	Mrs. J. T. Linton
C. E. Baumgardner	C. A. Hammons	A. L. (Chick) Love
Leonard T. Bean	James P. Hanratty	Harry K. Lowman
John D. Beatty	George F. Harris	True Mackey
Fred Beshear	Paul E. Hayes	Damon Majors
R. O. Blevins	John A. Head	John Martin
L. E. Bradley	Harold G. Helm	Jack McPherron
Thomas L. Britton	William K. Henry	Emmett G. Moore
Charles J. Bronston	E. R. Hilton	Walter R. Moorman
J. D. Buckman, Jr.	Ray Holbrook	Fred H. Morgan
Mrs. M. E. Burnett	W. W. Hollan	C. S. Nabb
Charles W. Burnley	Richard R. Houpt	Dr. C. E. Palmore
Alex Calvert	Durham W. Howard	James H. Polsgrove
Stanley Carter	Robert N. Hubbard	Leonard W. Preston
R. Josh Cosby	Silas Jacobs	Hobart Rayburn

Carl J. Ruh	James S. Shaw	M. G. Thompson
Amos Runyan	Gus Sheehan, Jr.	Ralph N. Walter
Dr. Roy Sanders	Jesse H. Shelton	Fred M. Warns
LeRoy Saylor	Forest Smith	Lyle H. Webb
Roy Searcy	W. R. Stringer	Charles W. Wirsch
Paul E. Shannon	Egbert V. Taylor	-74

There voted in the negative—

Morris Weintraub -1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 36. A RESOLUTION authorizing V. H. McDaniel of Franklin County, Kentucky, to sue the Commonwealth of Kentucky.

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. V. H. McDaniel of Franklin County, Kentucky, be and he is hereby authorized to sue the Commonwealth of Kentucky in the Circuit Court of Franklin County, Kentucky, in an amount not exceeding One Thousand Dollars (\$1,000.00) for damages sustained by him when an escaped convict, Alba McCormick, stole his Dodge pick-up Truck, 1941 Model from his farm in Franklin County, Kentucky, and wrecked the same in an escape effort.

2. The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth herein and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the general fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

3. In event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals.

4. No statement in this Resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth or any of its officers, and this Resolution shall not be introduced as evidence nor commented upon by counsel in argument to the jury.

STATE OF KENTUCKY }
COUNTY OF FRANKLIN } SCT

The affiant, V. H. McDaniel, says that he was the owner of a 1941 Dodge one-half ton truck, and that he resides on a farm about three miles from Frankfort, Kentucky, on the Johnson Road, just off the Lawrenceburg Road in Franklin County, Kentucky, where he kept such truck and used it in his farming operations.

Affiant says that on or about March 9th and 10th, 1947, said truck was stolen from his farm by Alba McCormick, an escaped convict, who had been doing some work around the State Capitol Building, at Frankfort, Kentucky, and which convict had escaped from custody.

Said convict stalled the truck and wrecked it in Woodford County, Kentucky, and it was so damaged and injured in the wreck that it had to be junked, and affiant received for it a sale made to a junk dealer at Lexington, the sum of \$180.00.

Affiant says the fair market value of said truck before it was stalled and wrecked was the sum of \$1,000.00.

/s/ V. H. McDaniel

Subscribed and sworn to before me by V. H. McDaniel, on this the 11th day of February, 1950.

My commission expires Dec. 31, 1953.

/s/ Nancy L. Duncan

Notary Public, Franklin Co., Ky.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	W. W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	

—74

There voted in the negative—

Morris Weintraub

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 42. A JOINT RESOLUTION authorizing W. A. "Bud" Mitchell, Administrator of the estate of Julius Cummins, deceased, to sue the Commonwealth of Kentucky and the Department of Welfare, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That W. A. "Bud" Mitchell, Administrator of the estate of Julius Cummins, deceased, is authorized to sue the Commonwealth of Kentucky and the Department of Welfare, or either, in the Lyon Circuit Court, for damages resulting from the death of Julius Cummins in a motor vehicle collision, caused by alleged negligence on the part of an inmate of the Kentucky State Penitentiary while said inmate was in the custody of and acting as an agent for, the Department of Welfare and the Commonwealth of Kentucky. This suit shall be for a sum not in excess of \$3,000.

The Attorney General may investigate the claim herein referred to and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the General Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the circuit court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this Resolution shall be considered by either the court or jury as an admission of neglect upon the part of the

Commonwealth or the Department of Welfare and this Resolution shall not be introduced as evidence or commented upon by counsel in argument to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Alex Calvert	Ray Holbrook
Bill Adams	Stanley Carter	W. W. Hollan
Edgar Arnett	R. Josh Cosby	Richard R. Houpt
Sidney Baer	B. H. Crider	Durham W. Howard
Clarence J. Barnum	Owen Deering	Robert N. Hubbard
C. E. Baumgardner	G. I. Drury	Silas Jacobs
Leonard T. Bean	Thomas R. Duncan	Paul S. Jonas
John D. Beatty	Henry C. Hale	Barkley Jones
Fred Beshear	C. A. Hammons	William Jones
R. O. Blevins	James P. Hanratty	Jesse H. Lawrence
L. E. Bradley	George F. Harris	Mrs. J. T. Linton
Thomas L. Britton	Paul E. Hayes	A. L. (Chick) Love
Charles J. Bronston	John A. Head	Harry K. Lowman
J. D. Buckman, Jr.	Harold G. Helm	True Mackey
Mrs. M. E. Burnett	William K. Henry	Damon Majors
Charles W. Burnley	E. R. Hilton	John Martin

Jack McPherron	Carl J. Ruh	Forest Smith
Emmett G. Moore	Amos Runyan	W. R. Stringer
Walter R. Moorman	Dr. Roy Sanders	Egbert V. Taylor
Fred H. Morgan	LeRoy Saylor	M. G. Thompson
C. S. Nabb	Roy Searcy	Ralph N. Walter
Dr. C. E. Palmore	Paul E. Shannon	Fred M. Warns
James H. Polsgrove	James S. Shaw	Lyle H. Webb
Leonard W. Preston	Gus Sheehan, Jr.	Charles W. Wirsch
Hobart Rayburn	Jesse H. Shelton	—74

There voted in the negative—

Morris Weintraub

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 43. A JOINT RESOLUTION authorizing Clayton Whitaker and Cora A. Whitaker, of Rockcastle County, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Clayton Whitaker and Cora A. Whitaker are authorized to sue the Commonwealth of Kentucky and the Department of Highways, or either, in the Rockcastle Circuit Court, for damages resulting from property damage alleged to have been caused by the negligent construction and maintenance of a highway on the part of employes of the Department of Highways and the Commonwealth of Kentucky while acting within the scope of their employment.

Said suit shall be for a sum not in excess of \$2,000.

The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth of Kentucky herein, and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the circuit court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this resolution shall not be introduced as evidence, nor commented upon by counsel in the argument of the case to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	Woodrow W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	—74

There voted in the negative—

Morris Weintraub	—1
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 46. A JOINT RESOLUTION authorizing J. E. Carter and Lena Carter, of Breckinridge County, to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That J. E. Carter and Lena Carter are authorized to sue the Commonwealth of Kentucky in the Breckinridge Circuit Court for damages for the wrongful death of their son, Nelson Worland Carter, arising out of and in the course of his employment as an employe of the Commonwealth of Kentucky, for which damages the Commonwealth is morally responsible.

Said suit shall be for a sum not in excess of \$25,000.

The Attorney General may investigate the claim and may settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the General Expenditure Fund in the State Treasury upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the circuit court, either party may appeal to the Court of Appeals of Kentucky.

The General Assembly hereby expressly recognizes the moral responsibility of the Commonwealth for damages for the death of said Nelson Worland Carter, and in any suit that may be filed under authority of this resolution the jury shall have authority only to fix the amount of such damages.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	Woodrow W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	

—74

There voted in the negative—

Morris Weintraub

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a Resolution of the following title, viz:

H. Res. No. 53. A JOINT RESOLUTION authoriizng John Clay Salyer, an infant, by his guardian, Richmond Salyer, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That John Clay Salyer, an infant, by his guardian, Richmond Salyer, is authorized to sue the Commonwealth of Kentucky and the Department of Highways, or either, in the Magoffin Circuit Court, for damages from personal injuries and medical expenses caused by alleged negligence on the part of an employe of the Commonwealth of Kentucky and the Department of Highways while said employe was acting within the scope of his employment.

Said suit shall be for a sum ont in excess of \$5,000.

The Attorney General of the Commonwealth of Kentucky may investigate the claim herein and settle same before or after suit is filed if he deems it advisable.

Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the road fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this resolution shall not be introduced in evidence for either party nor commented upon by counsel in argument to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	R. Josh Cosby	Robert N. Hubbard
Bill Adams	B. H. Crider	Silas Jacobs
Edgar Arnett	Owen Deering	Paul S. Jonas
Sidney Baer	G. I. Drury	Barkley Jones
Clarence J. Barnum	Thomas R. Duncan	William Jones
C. E. Baumgardner	Henry C. Hale	Jesse H. Lawrence
Leonard T. Bean	C. A. Hammons	Mrs. J. T. Linton
John D. Beatty	James P. Hanratty	A. L. (Chick) Love
Fred Beshear	George F. Harris	Harry K. Lowman
R. O. Blevins	Paul E. Hayes	True Mackey
L. E. Bradley	John A. Head	Damon Majors
Thomas L. Britton	Harold G. Helm	John Martin
Charles J. Bronston	William K. Henry	Jack McPherron
J. D. Buckman, Jr.	E. R. Hilton	Emmett G. Moore
Mrs. M. E. Burnett	Ray Holbrook	Walter R. Moorman
Charles W. Burnley	Woodrow W. Hollan	Fred H. Morgan
Alex Calvert	Richard R. Houpt	C. S. Nabb
Stanley Carter	Durham W. Howard	Dr. C. E. Palmore

James H. Polsgrove	Roy Searcy	Egbert V. Taylor
Leonard W. Preston	Paul E. Shannon	M. G. Thompson
Hobart Rayburn	James S. Shaw	Ralph N. Walter
Carl J. Ruh	Gus Sheehan, Jr.	Fred M. Warns
Amos Runyan	Jesse H. Shelton	Lyle H. Webb
Dr. Roy Sanders	Forest Smith	Charles W. Wirsch
LeRoy Saylor	W. R. Stringer	-74

There voted in the negative—

Morris Weintraub -1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 61. A JOINT RESOLUTION authorizing William Mudd to sue the Commonwealth of Kentucky and the Division of Game and Fish, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

William Mudd is hereby authorized to sue the Commonwealth of Kentucky and the Division of Game and Fish, or either, in the Casey Circuit Court, for personal injuries sustained from a gunshot wound wrongfully inflicted by an employe of the Commonwealth of Kentucky and the Division of Game and Fish while such employe was acting within the scope of his employment.

Said suit shall be for a sum not in excess of \$5,000.

The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth herein and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit, or by settlement

with the Attorney General shall be paid out of the Game and Fish Fund, upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the circuit court, ether party may appeal to the Court of Appeals of Kentucky. No plea of limitations shall be interposed.

No statement in this Resolution shall be considered by either the Court or jury as an admission of negligence upon the part of the Commonwealth, and this Resolution shall not be introduced as evidence, nor commented upon by counsel in argument to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	C. E. Baumgardner	L. E. Bradley
Bill Adams	Leonard T. Bean	Thomas L. Britton
Edgar Arnett	John D. Beatty	Charles J. Bronston
Sidney Baer	Fred Beshear	J. D. Buckman, Jr.
Clarence J. Barnum	R. O. Blevins	Mrs. M. E. Burnett

Charles W. Burnley	Durham W. Howard	Leonard W. Preston
Alex Calvert	Robert N. Hubbard	Hobart Rayburn
Stanley Carter	Silas Jacobs	Carl J. Ruh
R. Josh Cosby	Paul S. Jonas	Amos Runyan
B. H. Crider	Barkley Jones	Dr. Roy Sanders
Owen Deering	William Jones	LeRoy Saylor
G. I. Drury	Jesse H. Lawrence	Roy Searcy
Thomas R. Duncan	Mrs. J. T. Linton	Paul E. Shannon
Henry C. Hale	A. L. (Chick) Love	James S. Shaw
C. A. Hammons	Harry K. Lowman	Gus Sheehan, Jr.
James P. Hanratty	True Mackey	Jesse H. Shelton
George F. Harris	Damon Majors	Forest Smith
Paul E. Hayes	John Martin	W. R. Stringer
John A. Head	Jack McPherron	Egbert V. Taylor
Harold G. Helm	Emmett G. Moore	M. G. Thompson
William K. Henry	Walter R. Moorman	Ralph N. Walter
E. R. Hilton	Fred H. Morgan	Fred M. Warns
Ray Holbrook	C. S. Nabb	Lyle H. Webb
Woodrow W. Hollan	Dr. C. E. Palmore	Charles W. Wirsch
Richard R. Houpt	James H. Polsgrove	-74

There voted in the negative—

Morris Weintraub

-1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 64. A JOINT RESOLUTION authorizing George Jean Logan, an infant under twelve years of age, by his father and next friend, Chester Logan, to sue the Commonwealth of Kentucky and the Kentucky State Highway Department, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

George Jean Logan, an infant under twelve years of age, by his father and next friend, Chester Logan, is authorized to sue the Commonwealth of Kentucky and the Kentucky State Highway Department, or either, in the Letcher Circuit Court, for damages resulting from personal injuries caused by the alleged negligent operation of a motor truck by an employe of the Commonwealth of Kentucky and the Kentucky State Highway Department while said employe was acting within the scope of his employment.

Said suit shall be for a sum not in excess of \$10,000.

The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth of Kentucky herein, and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commisisoner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the circuit court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this resolution shall not be introduced as evidence, nor commented upon by counsel in the argument of the case to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	Woodrow W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	

—74

There voted in the negative—

Morris Weintraub

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 9. A RESOLUTION appropriating from the General Fund the sum of One Hundred and Twenty-seven Dollars and fifty cents (\$127.50) to pay a claim for services rendered by F. J. Alsop of Hawesville, Kentucky, in making a survey of abandoned coal mines in Hancock County.

Said resolution is as follows, viz:

WHEREAS, F. J. Alsop has never been paid for his services in completing a survey of abandoned coal mines in Hancock County in February, 1934, which survey was made for a mine-sealing project for the State Department of Health of Kentucky.

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

There is hereby appropriated from the General Fund of the Commonwealth, the sum of One Hundred and Twenty-seven Dollars and fifty cents (\$127.50), and the Department of Finance shall draw its warrant upon the Treasurer for that amount in favor of F. J. Alsop.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	Woodrow W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	

—74

There voted in the negative—

Morris Weintraub

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 11. A JOINT RESOLUTION authorizing the payment of pauper idiot claims.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

THAT the pauper idiot claims of Joe Burks, as Committee for Ernest Burks, a pauper idiot, and of Mary Jane Wathen, as Committee for Dee Wathen, a pauper idiot, in the amount of \$37.50 each were allowed by the Larue Circuit Court at the October 1949 term.

It appearing that said claims were not presented for payment by the Commonwealth of Kentucky within the statutory time provided by law, and it further appearing that said claims are just claims against the Commonwealth of Kentucky, the Commissioner of Finance is hereby authorized and directed to pay said claims and the Statute of Limitations, as now provided by law, shall not be a bar to the payment of said claims. The amount necessary to pay said claims, being \$75, is hereby appropriated out of the General Fund for that purpose.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	Woodrow W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	

—74

There voted in the negative—

Morris Weintraub

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 23. A JOINT RESOLUTION authorizing and directing the payment of a claim of Teddy C. Decker, of Pulaski County, Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Teddy C. Decker, former Jailer of Pulaski County, has a claim against the Commonwealth, which claim has been proved and allowed according to law, and being a claim for fees for services which the Commonwealth is required by law to pay, and which is in the total amount of \$21.60.

It appearing that said claim was not presented for payment by the Commonwealth within the time prescribed by statute, and it further appearing that the claim is a just claim against the Commonwealth, the Commissioner of Finance is hereby authorized and directed to pay the claim when presented, and the Statute of Limitations as now provided by law shall not be a bar to the payment of said claim, and the amount necessary to pay said claim, being \$21.60, is hereby appropriated out of the General Expenditure Fund in the State Treasury for that purpose.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	Woodrow W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	—74

There voted in the negative—

Morris Weintraub

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 32. A JOINT RESOLUTION authorizing and directing the payment of the sum of \$1899.00 to C. B. Wilson, for salary due him and expenses incurred by him as deputy sheriff of Woodford County, Kentucky, and appropriating that sum from the State Treasury.

Said resolution is as follows, viz:

WHEREAS, C. B. Wilson, a former deputy sheriff of Woodford County, Kentucky, did in the years of 1946 and 1947, in the performance of his official duties, pursue and apprehend certain persons who were guilty of the theft of tobacco in Woodford County, Kentucky, and

WHEREAS, such pursuit necessitated extensive travel both within and without the Commonwealth of Kentucky and said C. B. Wilson did thereby incur expenses in the sum of \$1250.00, and

WHEREAS, said C. B. Wilson agreed to a reduction of salary in the sum of \$59.00 per month which on such assignment upon the sheriff's promise to reimburse him therefor, and

WHEREAS, he was on such assignment for eleven months and is entitled to reimbursement to the extent of \$649.00, which sums have not been paid, upon demand, by the sheriff of Woodford County nor the fiscal court of said county;

NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the sum of \$1899.00 is appropriated out of the General Expenditure Fund in the State Treasury, for the purpose of paying the claim of C. B. Wilson, of Woodford County, for salary due him and expenses incurred by him in the performance of his duties as deputy sheriff of Woodford County, Kentucky, during the years of 1946 and 1947. The Commissioner of Finance is

hereby directed to draw his warrant upon the State Treasurer, in favor of said C. B. Wilson for said amount, and the State Treasurer, upon presentation of the warrant, is directed to issue a check in favor of the said C. B. Wilson in the amount of \$1899.00.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Charles J. Bronston	C. A. Hammons
Bill Adams	J. D. Buckman, Jr.	James P. Hanratty
Edgar Arnett	Mrs. M. E. Burnett	George F. Harris
Sidney Baer	Charles W. Burnley	Paul E. Hayes
Clarence J. Barnum	Alex Calvert	John A. Head
C. E. Baumgardner	Stanley Carter	Harold G. Helm
Leonard T. Bean	R. Josh Cosby	William K. Henry
John D. Beatty	B. H. Crider	E. R. Hilton
Fred Beshear	Owen Deering	Ray Holbrook
R. O. Blevins	G. I. Drury	Woodrow W. Hollan
L. E. Bradley	Thomas R. Duncan	Richard R. Houpt
Thomas L. Britton	Henry C. Hale	Durham W. Howard

Robert N. Hubbard	Emmett G. Moore	Paul E. Shannon
Silas Jacobs	Walter R. Moorman	James S. Shaw
Paul S. Jonas	Fred H. Morgan	Gus Sheehan, Jr.
Barkley Jones	C. S. Nabb	Jesse H. Shelton
William Jones	Dr. C. E. Palmore	Forest Smith
Jesse H. Lawrence	James H. Polsgrove	W. R. Stringer
Mrs. J. T. Linton	Leonard W. Preston	Egbert V. Taylor
A. L. (Chick) Love	Hobart Rayburn	M. G. Thompson
Harry K. Lowman	Carl J. Ruh	Ralph N. Walter
True Mackey	Amos Runyan	Fred M. Warns
Damon Majors	Dr. Roy Sanders	Lyle H. Webb
John Martin	LeRoy Saylor	Charles W. Wirsch
Jack McPherron	Roy Searcy	-74

There voted in the negative—

Morris Weintraub

-1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 49. A JOINT RESOLUTION appropriating from the General Fund of the Commonwealth of Kentucky the sum of \$49.50 to pay, Hager Watson, Circuit Court Clerk of Magoffin County, for claims due him for services rendered in the performance of his duties for the Commonwealth in administering oath to and excusing 198 jurors that were summoned in the Magoffin Circuit Court to qualify for jury service.

Said resolution is as follows, viz:

WHEREAS, Hager Watson, Circuit Court Clerk of Magoffin County administered oaths to 181 jurors that were summoned for jury service in the case of Commonwealth of Kentucky vs: Newby Whitt, charged with the crime of murder in the Magoffin Circuit Court, upon which charge he was subsequently tried and convicted in said court and the said Hager Watson administered

oaths to 181 jurors, as above set out for which he is entitled to fees in the sum of \$45.25.

WHEREAS, the said Hager Watson administered oaths to and excused 17 by-stander jurors that were summoned for jury service at the regular September Term, 1949 of the Magoffin Circuit Court and the said Hager Watson administered oaths to 17 by-stander jurors, as above set out, for which he is entitled to fees in the sum of \$4.25.

WHEREAS, each of the said claims are just, due, and unpaid and said services were performed by the said Hager Watson, Clerk of the Magoffin Circuit Court, under orders of the Magoffin Circuit Court,

NOW THEREFORE

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Hager Watson, Circuit Court Clerk of Magoffin County for swearing 198 jurors and excusing same is entitled to the sum of \$49.50 for his services to the Commonwealth therein, and immediately upon the passage of this resolution the Department of Finance is directed to draw a warrant in favor of Hager Watson in the amount aforesaid, and transmit the same to the State Treasurer, who shall issue a check in favor of Hager Watson in the amount of \$49.50.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	Woodrow W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	—74

There voted in the negative—

Morris Weintraub

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 52. A RESOLUTION authorizing the payment to the estate of Clarence Miller, deceased, of a claim of said Clarence Miller for expenses incurred as Commissioner of Finance of the Commonwealth of Kentucky, and appropriating the necessary sum to pay said claim out of the General Fund.

Said resolution is as follows, viz:

WHEREAS Clarence Miller as Commissioner of Finance did employ counsel to represent him in certain actions pending against him in the Franklin Circuit Court being Actions Nos. 33842 and 33843 therein, and;

WHEREAS said Clarence Miller, Commissioner of Finance, thereby incurred a liability in the amount of One Thousand, Five Hundred, Fifty-three (\$1,533.43 Dollars and Forty-three Cents as necessary attorney fees and costs in said action, and;

WHEREAS said Clarence Miller is now deceased and executors of his estate have been properly qualified as required by law;

NOW THEREFORE

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That there is hereby appropriated out of the General Fund the sum of One Thousand, Five Hundred Fifty-three (\$1,533.43) Dollars and Forty-three Cents for the purpose of paying to the estate of Clarence Miller, deceased, the claim of said Clarence Miller for expenses of attorney fees and court costs necessarily incurred by him during his lifetime in the defense in Actions Nos. 33842 and 33843 on the docket of the Franklin Circuit Court, and which claim is identified by the title of this resolution, and said contract of employment entered into on the 25th day of May, 1945, is approved, and the Department of Finance is directed to draw its warrant upon the State Treasurer in favor of

the estate of Clarence Miller for said sum of One Thousand, Five Hundred, Fifty-three (\$1,553.43) Dollars and Forty-three Cents, and the State Treasurer is directed to honor said warrant and issue his check to the estate of Clarence Miller for said sum of One Thousand, Five Hundred, Fifty-three (\$1,553.43) Dollars and Forty-three Cents payable out of the General Fund.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	J. D. Buckman, Jr.	George F. Harris
Bill Adams	Mrs. M. E. Burnett	Paul E. Hayes
Edgar Arnett	Charles W. Burnley	John A. Head
Sidney Baer	Alex Calvert	Harold G. Helm
Clarence J. Barnum	Stanley Carter	William K. Henry
C. E. Baumgardner	R. Josh Cosby	E. R. Hilton
Leonard T. Bean	B. H. Crider	Ray Holbrook
John D. Beatty	Owen Deering	W. W. Hollan
Fred Beshear	G. I. Drury	Richard R. Houpt
R. O. Blevins	Thomas R. Duncan	Durham W. Howard
L. E. Bradley	Henry C. Hale	Robert N. Hubbard
Thomas L. Britton	C. A. Hammons	Silas Jacobs
Charles J. Bronston	James P. Hanratty	Paul S. Jonas

Barkley Jones	Fred H. Morgan	James S. Shaw
William Jones	C. S. Nabb	Gus Sheehan, Jr.
Jesse H. Lawrence	Dr. C. E. Palmore	Jesse H. Shelton
Mrs. J. T. Linton	James H. Polsgrove	Forest Smith
A. L. (Chick) Love	Leonard W. Preston	W. R. Stringer
Harry K. Lowman	Hobart Rayburn	Egbert V. Taylor
True Mackey	Carl J. Ruh	M. G. Thompson
Damon Majors	Amos Runyan	Ralph N. Walter
John Martin	Dr. Roy Sanders	Fred M. Warns
Jack McPherron	LeRoy Saylor	Lyle H. Webb
Emmett G. Moore	Roy Searcy	Charles W. Wirsch
Walter R. Moorman	Paul E. Shannon	-74

There voted in the negative—

Morris Weintraub -1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 54. A JOINT RESOLUTION authorizing and directing the payment of the sum of \$273.00 to Elmine Watts for expenses incurred by him as sheriff of Knott County.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the sum of \$273.00 is appropriated out of the General Expenditure Fund in the State Treasury, for the purpose of paying the claim of Elmine Watts for expenses incurred by him in the performance of his duties as sheriff of Knott County, which the Commonwealth is required by law to pay. The Commissioner of Finance is hereby directed to draw his warrant upon the State Treasurer, in favor of said Elmine Watts for said amount, and the State Treasurer, upon presentation of the

warrant is directed to issue a check in favor of the said Elmine Watts in the amount of \$273.00.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Alex Calvert	Ray Holbrook
Bill Adams	Stanley Carter	W. W. Hollan
Edgar Arnett	R. Josh Cosby	Richard R. Houpt
Sidney Baer	B. H. Crider	Durham W. Howard
Clarence J. Barnum	Owen Deering	Robert N. Hubbard
C. E. Baumgardner	G. I. Drury	Silas Jacobs
Leonard T. Bean	Thomas R. Duncan	Paul S. Jonas
John D. Beatty	Henry C. Hale	Barkley Jones
Fred Beshear	C. A. Hammons	William Jones
R. O. Blevins	James P. Hanratty	Jesse H. Lawrence
L. E. Bradley	George F. Harris	Mrs. J. T. Linton
Thomas L. Britton	Paul E. Hayes	A. L. (Chick) Love
Charles J. Bronston	John A. Head	Harry K. Lowman
J. D. Buckman, Jr.	Harold G. Helm	True Mackey
Mrs. M. E. Burnett	William K. Henry	Damon Majors
Charles W. Burnley	E. R. Hilton	John Martin

Jack McPherron	Carl J. Ruh	Forest Smith
Emmett G. Moore	Amos Runyan	W. R. Stringer
Walter R. Moorman	Dr. Roy Sanders	Egbert V. Taylor
Fred H. Morgan	LeRoy Saylor	M. G. Thompson
C. S. Nabb	Roy Searcy	Ralph N. Walter
Dr. C. E. Palmore	Paul E. Shannon	Fred M. Warns
James H. Polsgrove	James S. Shaw	Lyle H. Webb
Leonard W. Preston	Gus Sheehan, Jr.	Charles W. Wirsch
Hobart Rayburn	Jesse H. Shelton	—74

There voted in the negative—

Morris Weintraub —1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a Resolution of the following title, viz:

H. Res. No. 59. A JOINT RESOLUTION authorizing John Hatton, statutory guardian and father of John P. Hatton, an infant over fourteen years of age, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That John Hatton, statutory guardian and father of John P. Hatton, an infant over fourteen years of age, is authorized hereby to sue the Commonwealth of Kentucky and the Department of Highways, either or both, in the Clark Circuit Court, for damages resulting from personal injury to John P. Hatton caused by alleged negligence on the part of employes of the Commonwealth while said employes were in the line of duty as employes of the Department of Highways.

Said suit shall be for a sum not in excess of \$10,500.

The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth herein and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the State Road Fund, upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky. No plea of limitations shall be interposed.

No statement in this resolution shall be considered by either the Court or jury as an admission of negligence upon the part of the Commonwealth, and this resolution shall not be introduced as evidence, nor commented upon by counsel in argument to the jury.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said

resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	Dr. C. E. Palmore
Clarence J. Barnum	Harold G. Helm	James H. Polsgrove
C. E. Baumgardner	William K. Henry	Leonard W. Preston
Leonard T. Bean	E. R. Hilton	Hobart Rayburn
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	W. W. Hollan	Amos Runyan
R. O. Blevins	Richard R. Houpt	Dr. Roy Sanders
L. E. Bradley	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Robert N. Hubbard	Roy Searcy
Charles J. Bronston	Silas Jacobs	Paul E. Shannon
J. D. Buckman, Jr.	Paul S. Jonas	James S. Shaw
Mrs. M. E. Burnett	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Jesse H. Shelton
Alex Calvert	Jesse H. Lawrence	Forest Smith
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
R. Josh Cosby	A. L. (Chick) Love	Egbert V. Taylor
B. H. Crider	Harry K. Lowman	M. G. Thompson
Owen Deering	True Mackey	Ralph N. Walter
G. I. Drury	Damon Majors	Fred M. Warns
Thomas R. Duncan	John Martin	Lyle H. Webb
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	—74

There voted in the negative—

Morris Weintraub

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 38. A RESOLUTION authorizing James Miller to sue the Commonwealth of Kentucky, the Department of Highways, or both.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That said James Miller, Breathitt County, Kentucky, be permitted to sue the Commonwealth of Kentucky or the Department of Highways or both in the Breathitt Circuit Court, for such damages as may be the direct result of the damage to and the deprivation of the use of his property caused by the alleged negligence on the part of the employes of the Department of Highways in the construction and maintenance of Rural Highway No. 52 at or near his property in Breathitt County, Kentucky.

Sec. 2. The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth of Kentucky and may settle same before or after suit is filed if he deems it advisable to do so. Any amount recovered shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer, whether recovered by a suit or by settlement with the Attorney General. This resolution shall not be considered as evidence of negligence upon the part of the Commonwealth of Kentucky, or its employes, and shall not be commented upon by the attorneys for plaintiffs in any manner whatsoever at the trial of said action before a jury. This resolution shall be deemed only authority to bring an action, not admission of negligence. The amount of recovery herein shall be limited to a sum not to exceed \$2,500. In the event of suit and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

Mr. Hubbard offered the following amendment to said bill by way of substitute therefor, viz:

A JOINT RESOLUTION authorizing James Miller, of Breathitt County, and W. C. Sisk, of Caldwell County, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That said James Miller, Breathitt County, Kentucky, he permitted to sue the Commonwealth of Kentucky and the Department of Highways, or either, in the Breathitt Circuit Court, for such damages as may be the direct result of the damage to and the deprivation of the use of his property caused by the alleged negligence on the part of the employes of the Department of Highways in the construction and maintenance of Rural Highway No. 52 at or near his property in Breathitt County, Kentucky.

Said suit shall be for a sum not in excess of \$2,500.00.

Sec. 2. That W. C. Sisk, of Caldwell County, is authorized to sue the Commonwealth of Kentucky and the Department of Highways, or either, in the Caldwell Circuit Court, for damages resulting from personal injury, property damage, loss of time, medical expenses and permanent disability caused by alleged negligence on the part of an employe of the Commonwealth of Kentucky and the Department of Highways while said employe was acting within the scope of his employment.

Said suit shall be for a sum not in excess of \$2,165.00.

Sec. 3. The Attorney General of the Commonwealth of Kentucky may investigate the claims herein and settle same before or after a suit is filed if he deems it advisable.

Any amount recovered in said suits or by settlement with the Attorney General shall be paid out of the road fund upon warrants drawn by the Commissioner of Finance upon the State Treasurer.

In the event a suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this resolution shall not be introduced in evidence for either party nor commented upon by counsel in argument to the jury.

Said amendment to said resolution by way of substitute therefor was agreed to.

Ordered that said resolution be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, and same having been engrossed, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	G. I. Drury	William Jones
Bill Adams	Thomas R. Duncan	Jesse H. Lawrence
Edgar Arnett	Henry C. Hale	Mrs. J. T. Linton
Sidney Baer	C. A. Hammons	Homer E. Losey
Clarence J. Barnum	George F. Harris	A. L. (Chick) Love
C. E. Baumgardner	John A. Head	Harry K. Lowman
Leonard T. Bean	Harold G. Helm	True Mackey
John D. Beatty	William K. Henry	John Martin
R. O. Blevins	E. R. Hilton	Jack McPherron
L. E. Bradley	Ray Holbrook	Alton Mitchell
Edward O. Bridgers	W. W. Hollan	Emmett G. Moore
Thomas L. Britton	Chester J. Holsclaw	Walter R. Moorman
Charles J. Bronston	W. M. Horn	Fred H. Morgan
Mrs. M. E. Burnett	Richard R. Houpt	Dr. C. E. Palmore
Charles W. Burnley	Durham W. Howard	Leonard W. Preston
Alex Calvert	Maurice G. Howard	Hobart Rayburn
Paul Combs	Robert N. Hubbard	Carl J. Ruh
R. Josh Cosby	Silas Jacobs	Amos Runyan
B. H. Crider	Paul S. Jonas	Dr. Roy Sanders
Owen Deering	Barkley Jones	Roy Searcy

Paul E. Shannon	Joseph T. Snapp	Rev. T. H. Tinsley
James S. Shaw	Raymond D. Stigall	Fred M. Warns
Gus Sheehan, Jr.	W. R. Stringer	Lyle H. Webb
Jesse H. Shelton	Egbert V. Taylor	George F. Williamson
Forest Smith	M. G. Thompson	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 424. AN ACT relating to public assistance to needy aged, needy blind and needy children.

With Committee amendments thereto.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. *Definitions.*

As used in this Act, unless the context requires otherwise:

(1) "Department" means the Department of Economic Security;

(2) "Commissioner" means the Commissioner of Economic Security or his authorized representative;

(3) "Division" means the Division of Public Assistance in the Department of Economic Security;

(4) "Public assistance" means money grants, assistance in kind or services to or for the benefit of needy aged or needy children or needy blind;

(5) "Needy child" means a child under the age of eighteen (18) who has been deprived of parental support by reason of the death, absence or incapacity of a parent, and who is unable to provide for himself and who does not otherwise have provided for him a subsistence compatible with decency and health;

(6) "Parent", in addition to natural or adoptive parent, shall include step-parent;

(7) "Needy aged" means a person who has attained the age of sixty-five (65) and who is unable to provide for himself and

who does not have otherwise provided for him a subsistence compatible with decency and health;

(8) "Needy blind" means a person who has no vision or whose vision is so defective as to prevent the performance of ordinary activities for which eyesight is essential and who is unable to provide for himself and who does not have otherwise provided for him a subsistence compatible with decency and health.

Section 2. *Commissioner, Powers and Duties*

(1) The Commissioner of Economic Security shall have sole charge of the administration of the Division.

(2) The Commissioner shall have the power and authority to adopt, amend or rescind such rules and regulations as he deems necessary or suitable for the proper administration of the functions of the Division, including qualification for the receipt of federal funds and for cooperation with other state and federal agencies. Such rules and regulations shall become effective in the manner and at the time prescribed by the Commissioner.

(3) In the administration of this Act the Commissioner shall cooperate to the fullest extent possible with any agency of this State or any other state or of the United States.

(4) The Commissioner of Economic Security is authorized, subject to the provisions of KRS Chapters 12, 42, and 45, to appoint, fix the compensation and prescribe the duties and powers of such officers and employees as may be necessary in the performance of his duties under this Act. All positions shall be filled by persons selected and appointed on a non-partisan merit basis, in accordance with merit standards established by law. The Commissioner shall not employ or pay any person who is an officer or committee member of any political party organization. The Commissioner may delegate to any such person so appointed such power and authority as he deems reasonable and proper for the effective administration of this Act.

(5) The Commissioner shall have the power and authority to elect coverage for the workers in the Division under the provisions of KRS Chapter 341, and may elect coverage for such workers under the Workmen's Compensation Law of this State.

In the event such coverage is elected the payment of contributions under KRS Chapter 341 and premiums under the Workmen's Compensation Law shall be deemed a proper cost of administration.

(6) If and when the Congress of the United States amends the Federal Social Security Act so as to extend its provisions to include employees, the Commissioner is hereby authorized to take such actions as are necessary to extend the benefits of such act to the employees of the Division. In the event of such extension the contributions required of the Division as the employer shall be deemed to be a proper cost of administration.

(7) The salaries and expenses of the Commissioner and his staff shall be considered a proper cost of administration of this Act, to be charged to the Public Assistance Fund in that proportion which the cost of such services rendered in the administration of this Act bears to the overall cost of the services rendered in the administration of the Department.

Section 3. *Subpoenas, Confidential Nature of Records*

(1) In the discharge of the duties imposed by this Act the Commissioner or his duly authorized representative may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas to compel the attendance of witnesses and production of books, papers, correspondence, memoranda and other records considered necessary and relevant as evidence in connection with the administration of the Division. Such subpoena shall be served in the same manner as a subpoena issued out of a circuit court. Witnesses subpoenaed shall be allowed witnesses' fees according to the rates prescribed by KRS 421.010 for each day their attendance is actually required at a hearing.

(2) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda or other records in response to such subpoena on the grounds that the evidence required of him may tend to incriminate him or subject him to a penalty, or forfeiture. No person shall be prosecuted or subjected to any suit, penalty, or forfeiture on account of any transaction, matter, or thing concerning which he or his agent or worker is compelled, after hav-

ing claimed privilege against self-incrimination, to give evidence except that such witness so testifying shall not be exempt from punishment for perjury.

(3) All letters, reports, communications, and other matters, written or oral, to the Division or any of its agents, representatives, or employees, or to any board or official functioning under this Act, which have been written, sent, or made in connection with the requirements and administration of the Division shall be absolutely privileged and shall not be the subject matter or basis for any suit for slander or libel in any court but no person testifying before the Commissioner or his duly authorized representative, shall be exempt from punishment for perjury. Information obtained shall not be published or be open for public inspection, except to public employees in the performance of their duties, but any interested party at a hearing before the Commissioner or his duly authorized representative shall be supplied with information from such records to the extent necessary for the proper presentation of his case.

Section 4. *Destruction of Records*

The Commissioner may authorize the destruction of such original reports and records as have been properly recorded or summarized in the permanent records of the Division or are no longer considered necessary to the proper administration of the Department. Such destruction or disposition shall be made only by order of the Commissioner. Any money received from the disposition of such records shall be deposited to the credit of the Public Assistance Fund.

Section 5. *Advisory Councils*

(1) The Commissioner may appoint a State Advisory Council for Public Assistance, and such other special committees as he may from time to time deem necessary. These councils shall aid the Commissioner in formulating policies and discussing problems related to the administration of the Division and in assuring impartiality and freedom from political influence in the solution of such problems. The members of such councils shall serve without compensation, but shall be reimbursed for all necessary expenses.

Section 6. *Eligibility for Public Assistance*

(1) Subject to the other provisions of this section a needy aged person, a needy blind person or a needy child shall be eligible to receive a public assistance grant if:

(a) He has made a proper application or an application has been made on his behalf in the manner and form prescribed by regulation;

(b) He is a resident of this State at the time of receiving aid, and who has been a resident of this State for such period of time prior thereto as is prescribed by regulation; and

(c) He is not, at the time of receiving public assistance, an inmate of any public institution which provides shelter, custody or care and is the responsibility of or administered by a governmental unit, except for temporary medical or surgical care in a hospital;

Provided, that no individual shall be eligible to receive public assistance under this Act under more than one category of public assistance for the same period of time.

(2) The Commissioner may by regulation prescribe as a condition of eligibility that a needy child regularly attend school, and may further by regulation prescribe the degree of relationship of the person or persons in whose home such needy child must reside.

(3) No child born out of wedlock after the effective date of this Act shall be eligible under this Act as a needy child until after there has been a bastardy proceeding involving the child, provided, that the requirement of this subsection may be waived as prescribed by regulation if a bastardy proceeding cannot be had or would be futile.

(4) As a further condition of eligibility for aid to needy children regulations may prescribe what action if any, shall be taken to enforce support by a parent who has abandoned such a child.

Section 7. *Amount of Aid*

(1) The amount of public assistance to be granted shall be determined with due regard to the needs and resources of the

individual and family as prescribed by regulations, provided, that if available funds during a budgetary period are insufficient to meet the full needs of the recipients in all or any of the categories of public assistance the funds available shall be reasonably prorated to recipients in such categories according to pending and anticipated applications during such budgetary period.

(2) Notwithstanding any other provisions of law to the contrary, resources in any given case shall be deemed to include among other things:

(a) Such income as may be available to parents from persons liable for their support under KRS 405.080; and

(b) The total value of the joint and separate property and income of any old age applicant and spouse if living together.

(3) The value of any property voluntarily transferred by any applicant or recipient for the purpose of establishing his eligibility for public assistance shall be deemed a resource of such applicant or recipient under this section.

Section 8. *Payments*

(1) Payments of public assistance grants for eligible individuals shall be made at the time and in the manner prescribed by regulation to:

(a) The needy aged or needy blind applicant or recipient;
or

(b) The parent or relative with whom a needy child lives; or

(c) The parent or legal guardian of a blind minor; or

(d) The legal guardian of (a) or (b) above; or

(e) Such other persons on behalf of an eligible person as may be prescribed by regulation.

(2) Any person who is receiving and disbursing public assistance grants on behalf of another individual eligible under this Act shall upon request make an accounting of such funds to the Division in accordance with regulations. If a public assistance grant made on behalf of a needy individual is not used for the benefit of such individual such payment shall be suspended pending reasonable assurance that future grants will benefit the individual on whose behalf such payments are made.

(3) Public assistance shall not be assignable and shall be exempt from levy or execution.

Section 9. *Appeals*

(1) The Commissioner is authorized to appoint an appeal board for public assistance composed of the Commissioner and two other members. The Commissioner shall be chairman, and he and one other member will constitute a quorum.

(2) Any applicant or recipient who is dissatisfied with the decision on his application or because of delayed action on his application for public assistance or because of the amount granted to him may appeal to the appeal board in the manner and form prescribed by regulations. On receipt of such an appeal the applicant or recipient shall be given reasonable notice and opportunity for a fair hearing. The applicant or recipient shall be promptly notified of the decision together with the reasons therefor.

(3) Within twenty (20) days after such decision, any party aggrieved thereby, may secure judicial review thereof by filing a petition for review against the Commissioner in the Franklin Circuit Court. The petition shall state fully the grounds upon which review is sought, assign all errors relied on, and shall be verified by the petitioner.

(4) With his answer, the Commissioner shall certify and file with the court all documents and papers, and a transcript of all testimony taken in the matter, and orders made therein, together with the findings of fact and decision therein. If consented to by the petitioner, an abstract of any portion of the record may be certified by the Commissioner in lieu of certifying such portion of the record in full.

Section 10. *Funds and Accounts*

(1) There shall be in the State Treasury a special fund to be known as the Public Assistance Fund which shall be administered separate and apart from all public money or funds of this State. The Fund shall consist of all money appropriated by this State, all money received from the United States or any agency thereof and all money received from any other source for the public assistance functions administered by the Division. All

money deposited or paid into this fund is hereby appropriated and shall be available to the Commissioner for expenditure consistent with the provisions of this Act and KRS Chapter 195.

(2) The State Treasurer shall maintain within the fund three separate accounts:

- (a) An administrative account to which shall be deposited all money appropriated by this State, for the administration of the public assistance functions of the Division;

- (b) An assistance account to which shall be deposited all money appropriated by this State, and all money received from the United States or any agency thereof for the purpose of paying public assistance grants; and

- (c) A miscellaneous account to which shall be deposited all money received from the United States or any agency thereof, or from any other source, for the administration of the Act and for the payment of public assistance.

(3) All money in the assistance account and miscellaneous account shall be continuously appropriated and available to the Commissioner without respect to fiscal years. A general statement that all continuing appropriations are repealed shall not be construed as repealing this subsection.

(4) The Commissioner is authorized to direct the transfer of all or any part of such money in the miscellaneous account to either of the other two accounts for expenditure consistent with the provisions of subsection (2) (a) and (b) of this section, or such money in the administrative account as is not required for administrative purposes, to the assistance account for the payment of public assistance grants.

(5) Prior to July 1 of each fiscal year the Commissioner shall allocate the money in the Public Assistance Fund to the three categories of public assistance provided for in this Act; namely, needy children, needy aged and needy blind in proportion to the estimated number of applicants and recipients in each category for the following fiscal year, provided that the Commissioner may, in the second fiscal year of any legislative biennium, reallocate said funds based on the number of recipients

during any such biennium and the anticipated applicants during the balance of the biennium.

Section 11. *Penalties*

(1) Any person who violates any of the provisions of Section 3 of this Act shall be fined not less than \$50 nor more than \$200 or imprisoned for not more than six (6) months or both.

(2) Any person who makes any false statement knowing it to be false or knowingly withholds information for the purpose of procuring benefits or who willfully violates any other of the provisions of this Act or any rule or regulation under it, the violation of which is made unlawful under the terms of this Act, shall be guilty of a misdemeanor and shall be fined not less than \$10 nor more than \$50 or imprisoned for not more than thirty (30) days or both. Each false statement shall constitute a separate offense.

Section 12. *Reimbursement*

(1) The State shall have a claim against the estate of a deceased recipient for reimbursement of payments to needy aged prior and superior to all other claims except taxes, the cost of the last illness, the first \$300 of burial expenses and the costs of administration.

(2) Before public assistance shall be paid to a needy aged person, he shall execute an assignment of all his real property at death as security for repayment to the State of the claim provided for in subsection (1), which assignment shall constitute a lien against the recipient's real property then owned or thereafter acquired.

An acknowledged copy of the assignment shall be recorded in the office of the County Court Clerk of the county where the property or some portion thereof is located, which assignment the clerk shall record in the miscellaneous real estate lien book in his office and which shall constitute notice of the State's lien. The clerk shall be entitled to a fee of \$1.00 for filing the lien and said fee shall become a part of the lien as an added cost to be paid as a part of the amount necessary to release the lien.

(3) The State's claim under this section shall not be enforced against real estate so long as it is occupied as a home-stead by the recipient's unmarried surviving spouse or infant or dependent children.

(4) No action shall be commenced to enforce the State's claim under this section after five (5) years from the time any cause of action arises.

(5) Upon repayment to the State of its claims provided for in subsection (1) hereof and the payment of the filing fee, the Department shall cause a release of the lien provided for in subsection (2) to be filed with the clerk who shall note such filing on the margin of the record of the lien, or upon the filing with the clerk, subsequent to the death of a recipient, of a statement approved by the Department, that there were no assets in such recipient's estate liable for the State's claim or that all such assets had been paid to the State and upon payment of the filing fee, the clerk shall note on the margin of the lien provided for in subsection (2), a release of same.

Section 13. *Repealers*

(1) Sections 45.235, 196.050, 200.020 to 200.070, 205.010 to 205.080, 207.010 and 207.060 to 207.120 and subsection two (2) of Section 200.010 of the Kentucky Revised Statutes are hereby repealed. Any other provision of law in conflict with the provisions of this Act are hereby repealed to the extent of such conflict.

(2) Recipients of aid to dependent children, old age assistance, and aid to the needy blind under former laws repealed hereby shall, so long as they remain eligible under this Act, be continued as recipients of public assistance.

Said Committee amendments to said bill are as follows, viz:

Committee Amendment No. 1. Amend printed copy of H. B. No. 424, on Page 3, Section 2, Line 37, by inserting the word "State" between the words "include" and "employees" in the beginning of the line.

Committee Amendment No. 2. Amend printed copy of H. B. No. 424, on Page 6, Section 5, Line 2, by striking the

words "Commissioner may" and inserting in lieu thereof the words "Governor at the request of the Commissioner shall"

Committee Amendment No. 3. Amend printed copy of H. B. No. 424, on Page 7, Section 6, Line 29, by striking out the period after the word "futile" and adding the following words: "or would not be to the best interests of such child, or its mother or of the state".

Committee Amendment No. 4. Amend printed copy of H. B. No. 424, on Page 9, Section 9, Lines 17 and 18, by striking out the words "Franklin Circuit Court" and inserting in lieu thereof the words "Circuit Court of the County in which the party resides."

Committee Amendment No. 5. Amend printed copy of H. B. No. 424, on Pages 9, 10 and 11, Section 10, Lines 2 through 36, by striking out all of lines 2 through 36 and inserting in lieu thereof:

"(1) All money appropriated by this State, all money received from the United States or any agency thereof, and all money received from any other source for the Public Assistance functions administered by the Division are hereby appropriated and shall be available to the Commissioner for expenditure consistent with the provisions of this Act and K.R.S. Chapter 195.

Committee Amendment No. 6. Amend printed copy of H. B. No. 424, on Page 11, Section 10, Line 37, by striking out the numeral "(5)" and inserting in lieu thereof the numeral "(2)".

Committee Amendment No. 7. Amend printed copy of H. B. No. 424, on Pages 12 and 13, Section 12, Lines 1 through 38, by deleting all of Section 12 and renumbering Section 13 to become Section 12.

Committee Amendment No. 8. Amend printed copy of H. B. No. 424, on Page 13, Section 13, Line 2, by striking out "45.235" between "sections" and "196.050".

Said Committee amendments to said bill were each and severally agreed to.

Mr. Buckman moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, and same having been engrossed, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Owen Deering	Barkley Jones
Bill Adams	G. I. Drury	William Jones
Edgar Arnett	Mitchell S. Fannin	James W. Lambert
Sidney Baer	C. A. Hammons	Jesse H. Lawrence
Clarence J. Barnum	James P. Hanratty	Mrs. J. T. Linton
Leonard T. Bean	George F. Harris	A. L. (Chick) Love
John D. Beatty	Paul E. Hayes	Harry K. Lowman
Fred Beshear	Harold G. Helm	True Mackey
L. E. Bradley	William K. Henry	Damon Majors
Edward O. Bridgers	E. R. Hilton	John Martin
Thomas L. Britton	Ray Holbrook	G. Lee McClain
Charles J. Bronston	W. W. Hollan	Jack McPherron
J. D. Buckman, Jr.	Chester J. Holsclaw	Alton Mitchell
Mrs. M. E. Burnett	W. M. Horn	Archie R. Moore
Charles W. Burnley	Richard R. Houpt	Emmett G. Moore
Alex Calvert	Maurice G. Howard	Walter R. Moorman
Paul Combs	Robert N. Hubbard	Fred H. Morgan
R. Josh Cosby	Silas Jacobs	C. S. Nabb
B. H. Crider	Paul S. Jonas	Dr. C. E. Palmore

Leonard W. Preston	Jesse H. Shelton	Egbert V. Taylor
Carl J. Ruh	Forest Smith	M. G. Thompson
Amos Runyan	Joseph T. Snapp	Rev. T. H. Tinsley
Dr. Roy Sanders	J. Claude Stacy	Ralph N. Walter
Roy Searcy	Roy Steers	Fred M. Warns
Paul E. Shannon	Raymond D. Stigall	Lyle H. Webb
James S. Shaw	Mrs. Thelma Stovall	Geo. F. Williamson
Gus Sheehan, Jr.	W. R. Stringer	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Buckman moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H: B. No. 263. AN ACT relating to the support of dependent wives, children and poor relatives within and without the state.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. *Short title; purpose.* This act may be cited and referred to as the uniform support of dependents act.

The purpose of this uniform act is to secure support in civil proceedings for dependent wives, children and poor relatives from persons legally responsible for their support.

Sec. 2. *Definitions.* As used in this Act, unless the context shall require otherwise, the following terms shall have the meanings ascribed to them by this section:

(a) "State" shall mean and include any state, territory or possession of the United States and the District of Columbia.

(b) "Court" shall mean a county court or a circuit court of this Commonwealth and shall mean and include a family court, domestic relations court, children's court, municipal court and any other court, by whatever name known, in any state having

reciprocal laws or laws substantially similar to this Act upon which jurisdiction has been conferred to determine the liability of persons for the support of dependents within and without such state.

(c) "Child" includes a step child, foster child or legally adopted child and means a child actually or apparently under seventeen years of age, and a child over seventeen years of age who is unable to maintain himself and is likely to become a public charge.

(d) "Dependent" shall mean and include a wife, child, mother, father, grandparent or grandchild who is in need of and entitled to support from a person who is declared to be legally liable for such support by the laws of the state or states wherein the petitioner and the respondent reside.

(e) "Petitioner" shall mean and include each dependent person for whom support is sought in a proceeding instituted pursuant to this Act.

(f) "Respondent" shall mean and include each person against whom a proceeding is instituted pursuant to this Act.

(g) "Petitioner's Representative" shall mean a county attorney of any county of this Commonwealth and shall mean and include a corporation counsel, county attorney, state's attorney, commonwealth attorney and any other public officer, by whatever title his public office may be known, charged by law with the duty of instituting, maintaining or prosecuting a proceeding under this Act or under the laws of any state having a reciprocal or substantially similar law.

(h) "Summons" shall mean and include a subpoena, warrant, citation, order or other notice, by whatever name known, provided for by the law of the state or states wherein the petitioner and the respondent reside as the means for requiring the appearance and attendance in court of the respondent in a proceeding instituted pursuant to this Act.

(i) "Initiating state" shall mean the state of domicile or residence of the petitioner.

(j) "Responding state" shall mean the state wherein the respondent resides or is domiciled or found.

Sec. 3. *Persons legally liable for support of dependents.*
For the purpose of this Act:

(a) A husband in one state is hereby declared to be liable for the support of his wife and any child or children under seventeen years of age and any other dependent residing or found in the same state or in another state having substantially similar or reciprocal laws, and, if possessed of sufficient means or able to earn such means, may be required to pay for their support a fair and reasonable sum according to his means, as may be determined by the court having jurisdiction of the respondent in a proceeding instituted under this Act.

(b) A mother in one state is hereby declared to be liable for the support of her child or children under seventeen years of age residing or found in the same state or in another state having substantially similar or reciprocal laws, whenever the father of such child or children is dead, or cannot be found, or is incapable of supporting such child or children, and, if she is possessed of sufficient means or able to earn such means, she may be required to pay for the support of such child or children a fair and reasonable sum according to her means, as may be determined by the court having jurisdiction of the respondent in a proceeding instituted under this Act.

(c) The parents in one state are hereby declared to be severally liable for the support of a child seventeen years of age or older residing or found in the same state or in another state having substantially similar or reciprocal laws, whenever such child is unable to maintain himself and is likely to become a public charge.

(d) A child or children born of parents who, at any time prior or subsequent to the birth of such child, have entered into a civil or religious marriage ceremony, shall be deemed the legitimate child or children of both parents, regardless of the validity of such marriage.

(e) A child or children born of parents who held or hold themselves out as husband and wife by virtue of a common law marriage recognized as valid by the laws of the initiating state and of the responding state shall be deemed the legitimate child or children of both parents.

(f) A woman who was or is held out as his wife by a man by virtue of a common law marriage recognized as valid by the laws of the initiating state and of the responding state shall be deemed the legitimate wife of such man.

(g) Notwithstanding the fact that the respondent has obtained in any state or country a final decree of divorce or separation from his wife or a decree dissolving his marriage, the respondent shall be deemed legally liable for the support of any dependent child of such marriage.

Sec. 4. *Jurisdiction and powers of court.* For the purposes of this Act:

(a) The Court shall have jurisdiction regardless of the state of last residence or domicile of the petitioner and the respondent and whether or not the respondent has ever been a resident of the responding state.

(b) The court of the responding state shall have the power to order the respondent to pay sums sufficient to provide necessary food, shelter, clothing, care, medical or hospital expenses, expenses of confinement, expenses of education of a child, funeral expenses and such other reasonable and proper expenses of the petitioner as justice requires, having due regard to the circumstances of the respective parties.

(c) The courts of both the initiating state and the responding state shall have the power to order testimony to be taken in either or both of such states by deposition or written interrogatories, and to limit the nature of and the extent to which the right so to take testimony shall be exercised, provided that the respondent is given a full and fair opportunity to answer the allegations of the petitioner.

Sec. 5. *Cases in which proceedings are maintainable.* A proceeding to compel support of a dependent may be maintained under this Act in any of the following cases:

(a) Where the petitioner and the respondent are residents of or domiciled or found in the same state.

(b) Where the petitioner resides in one state and the respondent is a resident of or is domiciled or found in another state having substantially similar or reciprocal laws.

(c) Where the respondent is not and never was a resident of or domiciled in the initiating state and the petitioner resides or is domiciled in such state and the respondent is believed to be a resident of or domiciled in another state having substantially similar or reciprocal laws.

Sec. 6. *Procedure.*

(a) A proceeding under this Act shall be commenced by a petitioner by filing a verified petition in the court in the county of the state wherein he resides or is domiciled, showing the name, age, residence and circumstances of the petitioner, alleging that he is in need of and is entitled to support from the respondent, giving his name, age, residence and circumstances, and praying that the respondent be compelled to furnish such support.

(b) If the respondent be a resident of or domiciled in such state and the court has or can acquire jurisdiction of the person of the respondent under existing laws in effect in such state, such laws shall govern and control the procedure to be followed in such proceeding.

(c) If the respondent be not a resident of or domiciled in or cannot be found in such state, a judge of such court shall certify that a verified petition has been filed in his court in a proceeding against the respondent under this Act to compel the support of the petitioner, that a summons, duly issued out of his court for service upon the respondent has been returned with an affidavit to the effect that the respondent cannot with due diligence be located or served with such process in the initiating state, that the respondent is believed to be residing or domiciled in the responding state and that, in his opinion, the respondent should be compelled to answer such petition and should be dealt with according to law, and he shall transmit such certificate and exemplified copies of such petition and summons to the appropriate court in the responding state.

(d) Any judge of a court in the county of the responding state in which the respondent resides or is domiciled or found, upon presentation to him of such certificate and exemplified copies of such petition and summons, shall fix a time and place for a hearing on such petition and shall issue a summons out of

his court, directed to the respondent, duly requiring him to appear at such time and place.

(e) It shall not be necessary for the petitioner or the petitioner's witnesses to appear personally at such hearing, but it shall be the duty of the petitioner's representative of the responding state to appear on behalf of and represent the petitioner at all stages of the proceeding.

(f) If at such hearing the respondent controverts the petition and enters a verified denial of any of the material allegations thereof, the judge presiding at such hearing shall stay the proceedings and transmit to the judge of the court in the initiating state a transcript of the clerk's minutes showing the denials entered by the respondent.

(g) Upon receipt by the judge of the court in the initiating state of such transcript, such court shall take such proof, including the testimony of the petitioner and the petitioner's witnesses and such other evidence as the court may deem proper, and, after due deliberation, the court shall make its recommendation, based on all of such proof and evidence, and shall transmit to the court in the responding state an exemplified transcript of such proof and evidence and of its proceedings and recommendation in connection therewith.

(h) Upon the receipt of such transcript, the court in the responding state shall resume its hearing in the proceeding and shall give the respondent a reasonable opportunity to appear and reply.

(i) Upon the resumption of such hearing, the respondent shall have the right to examine or cross-examine the petitioner and the petitioner's witnesses by means of depositions or written interrogatories, and the petitioner shall have the right to examine or cross-examine the respondent and the respondent's witnesses by means of depositions or written interrogatories.

(j) If a respondent, duly summoned by a court in the responding state, wilfully fails without good cause to appear as directed in the summons, he shall be punished in the same manner and to the same extent as is provided by law for the punishment of a defendant or witness who wilfully disobeys a summons or subpoena duly issued out of such court in any other action or proceeding cognizable by said court.

(k) If, on the return day of the summons, the respondent appears at the time and place specified therein and fails to answer the petition or admits the allegations thereof, or, if, after a hearing has been duly held by the court in the responding state in accordance with the provisions of this section, such court has found and determined that the prayer of the petitioner, or any part thereof, is supported by the evidence adduced in the proceeding, and that the petitioner is in need of and entitled to support from the respondent, the court shall make and enter an order directing the respondent to furnish support to the petitioner and to pay therefor such sum as the court shall determine, having due regard to the parties' means and circumstances. An exemplified copy of such order shall be transmitted by the court to the court in the initiating state and such copy shall be filed with and made a part of the records of such court in such proceeding. The court shall place the respondent on probation on such terms and conditions as the court may deem proper or necessary to assure faithful compliance by the respondent with such order. The court shall also have power to require the respondent to furnish recognizance in the form of a cash deposit or surety bond in such amount as the court may deem proper and just to assure the payment of the amount required to be paid by the respondent for the support of the petitioner.

(l) The court making such order shall have the power to direct the respondent to make the payments required thereby at specified intervals to the probation department or bureau of the court and to report personally to such department or bureau at such times as may be deemed necessary and the respondent shall at all times be under the supervision of such department or bureau.

(m) A respondent who shall wilfully fail to comply with or violate the terms or conditions of the support order or of his probation shall be punished by the court in the same manner and to the same extent as is provided by law for a contempt of such court or a violation of probation ordered by such court in any other suit or proceeding cognizable by such court.

(n) Upon the receipt of a payment made by the respondent pursuant to the order of the court of the responding state in

any proceeding under this Act, the probation department or bureau of such court shall forthwith transmit the same to the court of the initiating state.

(o) The probation department or bureau of the court in the responding state shall, not later than thirty days following the end of each fiscal year, furnish to the court of the initiating state an itemized statement under oath of all payments made by the respondent during such fiscal year for the support of the petitioner in such proceeding.

(p) The court of the initiating state shall receive and accept all payments made by the respondent to the probation department or bureau of the court of the responding state and transmitted by the latter on behalf of the respondent. Upon receipt of any such payment, and under such rules as the court of the initiating state may prescribe, the court, or its probation department or bureau, as the court may direct, shall deliver such payment to the dependent person entitled thereto, take a proper receipt and acquittance therefor, and keep a permanent record thereof.

Sec. 7. *Duty of petitioners' representatives.* It shall be the duty of all petitioners' representatives of this state to appear in this state on behalf of and represent the petitioner in every proceeding pursuant to this Act, at the time the petition is filed and at all stages of the proceeding thereafter, and to obtain and present such evidence or proof as may be required by the court in the initiating state or the responding state.

Sec. 8. *Construction of Act.*

This Act shall be construed to furnish an additional or alternative civil remedy and shall in no way affect or impair any other remedy, civil or criminal, provided in any other statute and available to the petitioner in relation to the same subject matter.

Sec. 9. *Uniformity of interpretation.*

This Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of the states which enact it.

Mr. Williamson moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Thomas R. Duncan	Mrs. J. T. Linton
Bill Adams	Mitchell S. Fannin	Homer E. Losey
Edgar Arnett	C. A. Hammons	A. L. (Chick) Love
Sidney Baer	James P. Hanratty	Harry K. Lowman
Clarence J. Barnum	George F. Harris	True Mackey
C. E. Baumgardner	Harold G. Helm	Damon Majors
Leonard T. Bean	William K. Henry	John Martin
Fred Beshear	E. R. Hilton	G. Lee McClain
R. O. Blevins	Ray Holbrook	Jack McPherron
L. E. Bradley	Chester J. Holsclaw	Archie R. Moore
Edward O. Bridgers	W. M. Horn	Emmett G. Moore
Thomas L. Britton	Richard R. Hought	Walter R. Moorman
Charles J. Bronston	Durham W. Howard	C. S. Nabb
J. D. Buckman, Jr.	Robert N. Hubbard	Dr. C. E. Palmore
Mrs. M. E. Burnett	Silas Jacobs	Leonard W. Preston
Charles W. Burnley	Paul S. Jonas	Hobart Rayburn
Paul Combs	Barkley Jones	Carl J. Ruh
R. Josh Cosby	William Jones	Amos Runyan
B. H. Crider	James W. Lambert	Dr. Roy Sanders
Owen Deering	Jesse H. Lawrence	LeRoy Saylor

Roy Searcy	Mrs. Thelma Stovall	Fred M. Warns
Paul E. Shannon	W. R. Stringer	Harry Lee Waterfield
Gus Sheehan, Jr.	Egbert V. Taylor	Lyle H. Webb
Jesse H. Shelton	M. G. Thompson	Geo. F. Williamson
Forest Smith	Rev. T. H. Tinsley	Charles W. Wirsch
J. Claude Stacy	Ralph N. Walter	—77

Resolved that the title thereof be as aforesaid.

Mr. Williamson moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

A message was received from the Senate announcing that they had passed a resolution which originated in this body of the following title, viz:

H. Res. No. 69. A JOINT RESOLUTION for the benefit of officers and employes of the Senate and the House of Representatives; and declaring an emergency.

Ordered that said resolution be delivered to the Enrolling Clerk of this House.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

S. B. No. 168. AN ACT proposing an amendment to the Constitution of the Commonwealth of Kentucky relating to the imposition of additional taxes for the purpose of enabling payment of a bonus to war veterans.

With Committee amendment thereto.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Constitution of the Commonwealth of Kentucky is hereby proposed to be amended by the enactment of a new section of the Constitution, to read as follows:

The General Assembly shall have authority to provide for the levy and collection of an ad valorem tax on real property, a

severance tax, and a sales or gross receipts tax, or any one or more of such taxes, in the discretion of the General Assembly, for the purpose of providing funds to enable payment of a bonus not to exceed Six Hundred Dollars (\$600.00) to any person engaged in any branch of the military or naval services of the United States, prescribed and classified by the United States War Department or United States Naval Department as a part of such service, during the period of actual hostilities during World War I or World War II, who, at the time of entering such service, was a legal resident of Kentucky, and who is still in such service in good standing on the effective date of this amendment, or having been discharged from such service prior to the effective date of this amendment under any conditions other than dishonorable, has continued to be a legal resident of Kentucky for not less than one year.

Sec. 2. The above amendment shall be submitted to the voters at the time and in the manner provided for under Sections 256 and 257 of the Constitution and Section 118.430 of the Kentucky Revised Statutes.

Said Committee amendment to said bill is as follows, viz:

Amend printed copy of Senate Bill No. 168, on Page 1, Section 1, Lines 7 and 8 by inserting, between lines 7 and 8, the following additional words:

“or the General Assembly, through a state agency which it may establish for the purpose, may provide for the distribution, by sale or gift, of certificates or tickets entitling the holder thereof to participate in a holding for prizes, in cash or otherwise, based upon the running and order of finish of the Kentucky Derby,”

Mr. Waterfield raised the point of order that the Committee amendment had not been signed and, therefore, not in order.

The Speaker ruled the point of order as raised by Mr. Waterfield not well taken as the Committee report had been signed and the amendment was attached thereto.

Mr. Snapp moved the Previous Question on said amendment.

Whereupon, the Speaker announced, “Shall the Main Question on said amendment be now put?”

Which was decided in the affirmative.

Mr. Snapp moved that the vote by which the Previous Question had been ordered on said amendment be reconsidered.

Said motion was agreed to.

Thereafter, such reconsideration.

Mr. Preston offered the following amendment to said Committee amendment to said bill, viz:

Amendment No. 1 to Committee Amendment. Amend printed copy of S. B. No. 168, on Page 1, Section 1, Lines 5, 6 and 7 by striking all of lines 5, 6 and 7 and inserting in lieu thereof the following:

“the levy and collection of a two percent general sales tax, and the General Assembly, in lieu of such tax or in addition to such tax, may provide for the distribution, by sale or gift, through a state agency which it may establish for the purpose, of certificates or tickets entitling the holder thereof to participate in a drawing for prizes, in cash or otherwise, based upon the running and order of finish of the Kentucky Derby,”

Messrs. McClain and Jonas offered the following amendment to said Amendment No. 1 to the Committee amendment to said bill, viz:

Amendment No. 1 to Amendment No. 1 to Committee Amendment. Amend printed copy of S.B. No. 168, on Page 1, Section 1, Lines 7 and 8, by inserting, between lines 7 and 8, the following additional words:

“or the General Assembly, through a state agency which it may establish for the purpose, may provide for the distribution, by sale or gift, of certificates or tickets entitling the holder thereof to participate in a drawing for prizes, in cash or otherwise, based upon the running and order of finish of the Kentucky Derby,”

Said Amendment No. 1 to Amendment No. 1 to Committee amendment to said bill was disagreed to.

Said Amendment No. 1 to Committee amendment to said bill was agreed to.

Said Committee amendment to said bill as amended was then agreed to.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed as amended.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bill Adams	Thomas R. Duncan	James W. Lambert
Edgar Arnett	Mitchell S. Fannin	Jesse H. Lawrence
Sidney Baer	Henry C. Hale	Mrs. J. T. Linton
Clarence J. Barnum	C. A. Hammons	Homer E. Losey
C. E. Baumgardner	James P. Hanratty	A. L. (Chick) Love
Leonard T. Bean	George F. Harris	Harry K. Lowman
John D. Beatty	Paul E. Hayes	True Mackey
Fred Beshear	John A. Head	Damon Majors
R. O. Blevins	Harold G. Helm	John Martin
L. E. Bradley	William K. Henry	G. Lee McClain
Edward O. Bridgers	E. R. Hilton	Jack McPherron
Thomas L. Britton	Ray Holbrook	Alton Mitchell
Charles J. Bronston	W. W. Hollan	Archie R. Moore
J. D. Buckman, Jr.	Chester J. Holsclaw	Emmett G. Moore
Mrs. M. E. Burnett	W. M. Horn	Walter R. Moorman
Charles W. Burnley	Richard R. Houpt	Fred H. Morgan
Alex Calvert	Durham W. Howard	Dr. C. E. Palmore
Stanley Carter	Maurice G. Howard	Leonard W. Preston
Paul Combs	Robert N. Hubbard	Hobart Rayburn
R. Josh Cosby	Silas Jacobs	Carl J. Ruh
B. H. Crider	Paul S. Jones	Amos Runyan
Owen Deering	Barkley Jones	Dr. Roy Sanders
G. I. Drury	William Jones	LeRoy Saylor

Roy Searcy	Roy Steers	Fred M. Warns
Paul E. Shannon	Raymond D. Stigall	Harry Lee Waterfield
Gus Sheehan, Jr.	Mrs. Thelma Stovall	Lyle H. Webb
Jesse H. Shelton	W. R. Stringer	Morris Weintraub
Forest Smith	Egbert V. Taylor	Geo. F. Williamson
Joseph T. Snapp	M. G. Thompson	Charles W. Wirsch
J. Claude Stacy	Ralph N. Walter	—89

Mr. Preston offered the following amendment to the title of said bill, viz:

Amend the title by inserting after the word "taxes" the following words:

"and/or a drawing for prizes based upon the running and order of finish of the Kentucky Derby"

Said amendment to the title of said bill was agreed to.

Resolved that the title thereof be as amended.

Mr. Preston moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that they had examined and found to be correctly enrolled bills of the following titles, viz:

H. B. No. 90. AN ACT changing the classification of the City of Jamestown, in Russell County, and declaring an emergency.

H. B. No. 109. AN ACT changing the classification of the City of Munfordville, in Hart County.

H. B. No. 172. AN ACT changing the classification of the City of Owingsville, in Bath County.

H. B. No. 203. AN ACT changing the classification of the City of Walton, in Boone County, and declaring an emergency.

H. B. No. 215. AN ACT changing the classification of the City of London, in Laurel County.

H. B. No. 314. AN ACT changing the classification of the City of Falmouth, in Pendleton County.

H. B. No. 336. AN ACT changing the classification of the City of Shepherdsville, in Bullitt County.

H. B. No. 337. AN ACT changing the classification of the City of Augusta, in Bracken County.

H. B. No. 379. AN ACT changing the classification of the City of Lebanon Junction, in Bullitt County.

H. B. No. 439. AN ACT changing the classification of the City of Vanceburg, in Lewis County.

H. B. No. 347. AN ACT changing the classification of the City of Hodgenville, in Larue County.

H. B. No. 433. AN ACT changing the classification of the City of Salyersville, in Magoffin County, and declaring an emergency.

Thereupon, all other business was suspended, said bills were read at length and compared in open session and found to be correctly enrolled, and thereupon, the Speaker, in open session and in the presence of the House affixed his signature thereto.

Ordered that the Enrolling Clerk deliver said bill to the Senate.

After a time the Enrolling Clerk aforesaid delivered the original and enrolled copies of said bills duly signed by the President of the Senate, into the possession of the Chief Clerk of this House.

Ordered that said bills be delivered by the chief Clerk to the Governor.

After a time the Chief Clerk reported that he had discharged that duty.

Mr. Hanratty moved that the House do now recess until 8:15 o'clock, p.m.

Said motion was agreed to.

And then the House recessed.

The hour of 8:15 o'clock, p.m. having arrived, the Speaker resumed the chair and called the House to order.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 73. A JOINT RESOLUTION appropriating the sum of One Thousand Dollars (\$1,000.00) as an additional contingent fund for the Clerk of the House, and appropriating the sum of One Thousand Dollars (\$1,000.00) as an additional contingent fund for the Clerk of the Senate, and declaring an emergency.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That for the purpose of paying additional necessary expenses incurred by the Chief Clerk of the House of Representatives, and the office of the Speaker, under the direction of the House of Representatives of the Commonwealth of Kentucky, there is hereby set aside out of the appropriation made by Chapter 2 of the Acts of 1948 for legislative sessions as a contingent fund, the sum of One Thousand Dollars (\$1,000.00), and for the purpose of paying additional necessary expenses incurred by the Chief Clerk of the Senate, under the direction of the Senate of the Commonwealth of Kentucky, there is hereby set aside out of the appropriation made by Chapter 2 of the Acts of 1948 for legislative sessions as a contingent fund, the sum of One Thousand Dollars (\$1,000.00). Said respective funds shall be paid out on warrant of the Department of Finance on requisition of the Chief Clerk of the House of Representatives and of the Senate.

WHEREAS, it is necessary that these contingent funds for the Chief Clerks of the House of Representatives and Senate be immediately available, an emergency is hereby declared to exist and this resolution shall be effective from and after its passage and approval by the Governor of the Commonwealth of Kentucky.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Thomas R. Duncan	Walter R. Moorman
Bill Adams	Mitchell S. Fannin	Fred H. Morgan
Edgar Arnett	Henry C. Hale	C. S. Nabb
Sidney Baer	James P. Hanratty	Leonard W. Preston
Clarence J. Barnum	George F. Harris	Carl J. Ruh
C. E. Baumgardner	Paul E. Hayes	Amos Runyan
Leonard T. Bean	John A. Head	Dr. Roy Sanders
John D. Beatty	Harold G. Helm	Roy Searcy
Fred Beshear	Chester J. Holsclaw	Gus Sheehan, Jr.
R. O. Blevins	W. M. Horn	Forest Smith
Edward O. Bridgers	Robert N. Hubbard	John M. Spaulding
Thomas L. Britton	Silas Jacobs	J. Claude Stacy
Charles J. Bronston	Paul S. Jonas	Raymond D. Stigall
J. D. Buckman, Jr.	William Jones	Mrs. Thelma Stovall
Mrs. M. E. Burnett	Jesse H. Lawrence	W. R. Stringer
Charles W. Burnley	Mrs. J. T. Linton	M. G. Thompson
Alex Calvert	Homer E. Losey	Fred M. Warns
Paul Combs	Harry K. Lowman	Harry Lee Waterfield
R. Josh Cosby	Damon Majors	Morris Weintraub
B. H. Crider	William T. Marshall	Geo. F. Williamson
Owen Deering	Jack McPherron	Charles W. Wirsch
G. I. Drury	Archie R. Moore	

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 322. AN ACT relating to the licensing of farm trucks, amending subsection (4) of Section 186.050 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (4) of Section 186.050 of the Kentucky Revised Statutes is amended to read as follows:

(4) Any farmer owning a truck having a gross weight of 22,000 pounds or less may have it registered as a farmer's truck and obtain a license for \$4.50 by filing with the county clerk, in addition to other information required, an affidavit, stating that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of 22,000 pounds or less, that he has caused to be printed upon each side of the bed of the truck the words "Farmer's Truck" in conspicuous letters not less than three inches in height, and that during the next twelve months the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and in transporting the products and livestock owned by him or grown on his farm.

Mr. Searcy moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	E. R. Hilton	W. R. Reasor
Edgar Arnett	Woodrow W. Hollan	Carl J. Ruh
Sidney Baer	W. M. Horn	Amos Runyan
Clarence J. Barnum	Richard R. Houpt	Dr. Roy Sanders
Leonard T. Bean	Durham W. Howard	LeRoy Saylor
John D. Beatty	Maurice G. Howard	Roy Searcy
R. O. Blevins	Robert N. Hubbard	Gus Sheehan, Jr.
L. E. Bradley	Silas Jacobs	Jesse H. Shelton
Thomas L. Britton	Barkley Jones	Forest Smith
J. D. Buckman, Jr.	William Jones	J. Claude Stacy
Charles W. Burnley	Mrs. J. T. Linton	Roy Steers
R. Josh Cosby	A. L. (Chick) Love	Raymond D. Stigall
B. H. Crider	John Martin	Mrs. Thelma Stovall
Owen Deering	G. Lee McClain	W. R. Stringer
G. I. Drury	Jack McPherron	M. G. Thompson
Thomas R. Duncan	Alton Mitchell	Ralph N. Walter
C. A. Hammons	Archie R. Moore	Fred M. Warns
James P. Hanratty	Emmett G. Moore	Harry Lee Waterfield
George F. Harris	Walter R. Moorman	Lyle H. Webb
Paul E. Hayes	C. S. Nabb	Morris Weintraub
John A. Head	Dr. C. E. Palmore	G. F. Williamson
William K. Henry	James H. Polsgrove	Charles W. Wirsch

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Those who voted in the negative were—

Damon Majors

John M. Spaulding

—2

Mr. Henry offered the following amendment to the title of said bill, viz:

Amend the title of H. B. No. 322 by adding the following sentence: "This Act shall be known as the Searcy-Moorman Farm Truck License Act."

Said amendment to the title of said bill was agreed to.

Resolved that the title thereof be as amended.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 348. AN ACT relating to newspaper advertising required by law, amending section 424.030 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 424.030 of the Kentucky Revised Statutes is amended to read as follows:

For all newspaper advertising required by law, the publisher is entitled to receive as full compensation at the rate of seventy-five cents per linear inch, single column, solid, eight-point measure, for each insertion. Advertisements in judicial proceedings shall be taxed as costs by the clerk of the court. The rates of advertising in a daily newspaper shall not exceed one dollar twenty-five cents per linear inch per insertion.

Mr. Hubbard moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative,

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	W. M. Horn	Dr. C. E. Palmore
Bill Adams	Durham W. Howard	W. R. Reasor
Edgar Arnett	Maurice G. Howard	Carl J. Ruh
Sidney Baer	Robert N. Hubbard	Amos Runyan
Clarence J. Barnum	Silas Jacobs	Roy Searcy
C. E. Baumgardner	Paul S. Jonas	Paul E. Shannon
Leonard T. Bean	Barkley Jones	Gus Sheehan, Jr.
John D. Beatty	William Jones	Forest Smith
R. O. Blevins	Jesse H. Lawrence	John M. Spaulding
L. E. Bradley	Mrs. J. T. Linton	J. Claude Stacy
Charles J. Bronston	A. L. (Chick) Love	Roy Steers
J. D. Buckman, Jr.	Damon Majors	Raymond D. Stigall
R. Josh Cosby	John Martin	Mrs. Thelma Stovall
Owen Deering	William T. Marshall	W. R. Stringer
G. I. Drury	Jack McPherron	M. G. Thompson
Thomas R. Duncan	Alton Mitchell	Rev. T. H. Tinsley
James P. Hanratty	Archie R. Moore	Fred M. Warns
George F. Harris	Emmett G. Moore	Morris Weintraub
Paul E. Hayes	Walter R. Moorman	G. F. Williamson
John A. Head	C. S. Nabb	Charles W. Wirsch
Chester J. Holsclaw		

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 422. AN ACT to aid in the development and promotion of the purebred cattle industry in Kentucky.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context otherwise requires:

(1) "Department" means the Department of Agriculture, Labor and Statistics.

(2) "Commissioner" means the Commissioner of Agriculture, Labor and Statistics.

(3) "Purebred" means registered by the appropriate association, organization or authority.

(4) Neither "show" or "exhibition" or "show, exhibition and sale" shall include those held as a part of or in connection with any County or other Local Fair.

Section 2. It shall be the duty of the Department of Agriculture, Labor and Statistics, to aid, encourage, foster and promote the development and the improvement of the purebred cattle industry in Kentucky. To that end, it shall be the duty of the Department to promote and to aid and assist in the promotion of annual shows and sales of purebred cattle in Kentucky with the object and purpose of establishing Kentucky as one of the greatest centers in the United States for the breeding, producing, raising, exhibition, showing and sale of purebred cattle and for said purposes there hereby is appropriated out of the General Fund to the Department the sum of thirty-six thousand dollars (\$36,000) for each of the fiscal years 1950-1951 and 1951-1952.

Section 3. (a) From the appropriation made in Section 2 of this Act, six thousand dollars (\$6,000) shall be used and ap-

plied in each of said fiscal years as follows: Not less than four thousand dollars (\$4,000) nor more than five thousand dollars (\$5,000) shall be used and applied to the payment of premiums for the largest purebred Aberdeen-Angus show and sale which may be held in Kentucky in each of the fiscal years, 1950-1951 and 1951-1952 which is open on equal terms and conditions to all Aberdeen-Angus breeders in the United States. The remainder shall be used and applied by the Commissioner for appropriate advertising of such show and sale in such livestock journals and other advertising media as the Commissioner in his discretion may determine.

(b) From the appropriation made in Section 2 of this Act, six thousand dollars (\$6,000) shall be used and applied in each fiscal years as follows: Not less than four thousand dollars (\$4,000) nor more than five thousand dollars (\$5,000) shall be used and applied to the payment of premiums for the largest purebred Hereford show and sale which may be held in Kentucky in each of the fiscal years, 1950-1951 and 1951-1952 which is open on equal terms and conditions to all Hereford breeders in the United States. The remainder shall be used and applied by the Commissioner for appropriate advertising of such show and sale in such livestock journals and other advertising media as the Commissioner in his discretion may determine.

(c) From the appropriation made in Section 2 of this Act, six thousand dollars (\$6,000) shall be used and applied in each said fiscal years as follows: Not less than four thousand dollars (\$4,000) nor more than five thousand dollars (\$5,000) shall be used and applied to the payment of premiums for the largest purebred Shorthorn show and sale which may be held in Kentucky in each of the fiscal years, 1950-1951 and 1951-1952 which is open on equal terms and conditions to all Shorthorn breeders in the United States. The remainder shall be used and applied by the Commissioner for appropriate advertising of such show and sale in such livestock journals and other advertising media as the Commissioner in his discretion may determine.

Any show, exhibition and sale of purebred cattle to be eligible to receive the aforesaid appropriations must provide that the entries in all classes must be open upon equal terms to the

breeders of such cattle in all of the states of the United States and the Dominion of Canada may be included. The Commissioner shall determine with respect to each of the aforesaid breeds of cattle which show, exhibition and sale is the largest to be held in Kentucky in each year and, in making such determination, he may consider such shows, exhibitions and sales as may have been held in Kentucky in any previous year and in any previous two-year period.

Section 4. The remainder of the appropriations made in Section 2 of this Act for each of said fiscal years shall be used and applied by the Department as follows, to-wit:

(a) At least fifteen thousand dollars (\$15,000) of the remainder of said appropriation shall be used to add to premium money otherwise available for shows and exhibitions of purebred dairy cattle to be held in Kentucky at such places and in such regions or districts as the Commissioner may determine; and the remaining balance thereof shall be used and applied by the Department in advertising and in promoting such purebred dairy cattle shows and exhibitions in such livestock journals and other advertising media as the Commissioner in his discretion may determine.

Section 5. No show or exhibition and no show, exhibition and sale of any purebred cattle shall qualify for or be eligible to receive any part of the appropriation made in this Act unless and until there is provided and made available from other sources an amount for premiums equal to or in excess of the respective appropriations made available by the provisions of this Act for such show or exhibition or show, exhibition and sale, or unless there is provided and made available from some other source an amount for premiums equal to or in excess of the amount which the Commissioner may allocate to or for such show or exhibition or show, exhibition and sale under the authority vested in him by this Act.

Mr. Horn offered the following amendments to said bill, viz:

Amendment No. 1. Amend printed copy of House Bill No. 422 on page 2, section 2, line 12, by striking the words and figures

“thirty-six thousand dollars (\$36,000)” and substituting in lieu thereof the words and figures “twenty-five thousand dollars (\$25,000)”.

Amendment No. 2. Amend printed copy of House Bill No. 422 on page 4, section 4, line 4, by striking the words and figures “fifteen thousand dollars (\$15,000)” and substituting in lieu thereof the words and figures “five thousand dollars (\$5,000)”.

Said amendments to said bill were each and severally agreed to.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, “Shall the Main Question be now put?”

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Fred Beshear	Owen Deering
Bill Adams	R. O. Blevins	G. I. Drury
Edgar Arnett	Edward O. Bridgers	Thomas R. Duncan
Sidney Baer	Thomas L. Britton	C. A. Hammons
Clarence J. Barnum	Charles J. Bronston	James P. Hanratty
C. E. Baumgardner	Charles W. Burnley	George F. Harris
Leonard T. Bean	R. Josh Cosby	Paul E. Hayes
John D. Beatty	B. H. Crider	John A. Head

Harold G. Helm	G. Lee McClain	Joseph T. Snapp
William K. Henry	Jack McPherron	J. Claude Stacy
E. R. Hilton	Alton Mitchell	Roy Steers
Woodrow W. Hollan	C. S. Nabb	Raymond D. Stigall
W. M. Horn	Dr. C. E. Palmore	Mrs. Thelma Stovall
Durham W. Howard	Leonard W. Preston	W. R. Stringer
Robert N. Hubbard	W. R. Reasor	M. G. Thompson
Silas Jacobs	Carl J. Ruh	Rev. T. H. Tinsley
Paul S. Jonas	Amos Runyan	Ralph N. Walter
Barkley Jones	Roy Searcy	Fred M. Warns
William Jones	Paul E. Shannon	Harry Lee Waterfield
Mrs. J. T. Linton	Gus Sheehan, Jr.	Lyle H. Webb
A. L. (Chick) Love	Jesse H. Shelton	Morris Weintraub
True Mackey	Forest Smith	G. F. Williamson
William T. Marshall		—67

Those who voted in the negative were—

L. E. Bradley	John M. Spaulding	—2
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 293. AN ACT relating to strip or open pit mining, and the conservation of natural resources as affected thereby.

With Committee amendment thereto by way of substitute therefor.

And an amendment to said Committee amendment to said bill by way of substitute therefor by the Committee on Rules.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The General Assembly finds that the mining of coal by the strip or open pit method causes soil erosion, stream

pollution, the accumulation of stagnant water and the seepage of contaminated water, increases the likelihood of floods, destroys the value of land for agricultural purposes, counteracts efforts for the conservation of soil, water and other natural resources, destroys or impairs the property rights of citizens, creates fire hazards, and in general creates hazards dangerous to life and property, so as to constitute an imminent and inordinate peril to the welfare of the Commonwealth. The General Assembly further finds that there are wide variations in the circumstances and conditions surrounding and arising out of the mining of coal by the strip or open pit method, due primarily to differences in topographical and geological conditions, and by reason thereof it is necessary, in order to provide the most effective, beneficial and equitable solution to the problem, that a broad discretion be vested in the authority designated to administer and enforce the regulatory provisions enacted by the General Assembly. The General Assembly further finds that other commercial activities involving the removal of minerals and other natural substances other than coal from the earth by strip or open pit methods occasionally cause conditions or create results of the character enumerated above, but that no imminent or inordinate peril presently exists by reason thereof. Therefore, it is the purpose of this Act to provide such regulation and control of the mining of coal by the strip or open pit method as to minimize its injurious effects as much as may be possible.

Sec. 2. There hereby is created a "Strip Mining and Reclamation Commission," which shall constitute an independent agency of the state government within the meaning of Chapter 12 of the Kentucky Revised Statutes, and which shall be composed of the Commissioner of Conservation, serving as chairman, the Chief of the Department of Mines and Minerals, and the Director of Strip Mining and Reclamation provided for in Section 3 of this Act. The members of the commission, other than the Director of Strip Mining and Reclamation, shall receive no compensation for their services on the commission, but shall be reimbursed for their actual and necessary expenses incurred in performing their functions. The commission shall meet from time to time on the call of the chairman or of the Director of Strip Mining and Reclamation.

Sec. 3. The Director of Strip Mining and Reclamation shall be appointed by the Governor for a term not to exceed four years. The director shall receive a salary to be fixed by the Governor, and shall be reimbursed for actual and necessary expenses incurred in the performance of his duties. He shall be the executive officer of the commission and shall have supervision of the commission staff. The commission shall have power to employ such personnel as may be required to carry out the purposes of this Act. However, the services and facilities of other state agencies, within the scope of their regular functions, shall be utilized as far as possible to minimize the personnel requirements of this Act.

Sec. 4. The Strip Mining and Reclamation Commission shall prescribe reasonable rules and regulations within the scope of this Act to accomplish the purposes of the Act. Any member of the commission or any employee delegated by the director shall have the right to enter upon any premises where strip or open pit mining of coal is being conducted or has been conducted, for the purpose of inspection or enforcement.

Sec. 5. (1) Except as provided in subsection (5) of this section, no person, after sixty days from the effective date of this Act, shall engage in the mining of coal by the strip or open pit method, as a principal or operator or proprietor of the operation, without first having obtained from the Strip Mining and Reclamation Commission a permit therefor, designating the acreage upon which the operation is authorized to be conducted, and no operation shall be conducted upon any land other than that covered by a permit.

(2) The person desiring a permit shall file an application stating:

(a) The location and area of the land to be covered by the permit as shown on a map or plat filed with the application.

(b) The owner or owners of the surface of the land.

(c) The owner or owners of the coal to be mined.

(d) The source of the applicant's legal right to enter and mine the coal on the land to be covered by the permit.

(e) The permanent and temporary post office addresses of the applicant.

(f) Whether the applicant holds any other permits under this Act and an identification thereof.

(3) Before a permit is issued the applicant shall file with the commission a bond payable to the Commonwealth, with satisfactory corporate surety, in the penal sum of not less than one hundred dollars for each acre or fraction thereof to be covered by the permit, conditioned for the faithful performance of the requirements set forth in Section 6 of this Act. The commission may require the bond to be in such penal sum in excess of one hundred dollars but not in excess of five hundred dollars, for each acre or fraction thereof to be covered by the permit, as may be deemed necessary to accomplish the purpose for which the bond is required, taking into consideration the character and suitable use of the land involved, and the estimated cost of complying with the provisions of Section 6 of this Act.

(4) Upon the filing of a proper application and bond, and upon payment by the applicant of a basis fee of fifty dollars plus ten dollars for each acre or fraction thereof to be covered by the permit, the commission shall issue the requested permit.

(5) This section shall not apply to any operator who produces, through the mining of coal by the strip or open pit method, less than 250 tons of coal in any twelve-month period.

Sec. 6. Within the time specified in Section 7 of this Act, any person who has carried on strip or open pit mining operations under a permit issued pursuant to this Act shall:

(1) Cover the face of the coal and, as far as practicable, bury all roof coal and pyritic shales.

(2) Seal off, with an earth fill, any break-through to underground working in the coal.

(3) To the extent required by regulations of the Strip Mining and Reclamation Commission, drain the surface involved in the mining operation, and provide such outlets as may be necessary to conduct storm and seepage waters from the surface to a permanent stream or stream bed with as little erosion as possible.

(4) Remove all metal, lumber and other refuse resulting from the operation.

(5) In the case of lands which, prior to the mining operation, were suitable for agricultural or grazing purposes, regrade, in a manner approved by the Strip Mining and Reclamation Commission, the overburden or the other strata removed from the coal so as to refill any ditches, trenches or excavations made in the mining operation and restore the surface of the land to a reasonable contour, so as to minimize the hazards of floods, pollution of streams and water, accumulation of stagnant water, and the loss of soil for agricultural or grazing purposes.

(6) Where necessary to prevent erosion or to restore the productive qualities of the soil, plant trees, shrubs, grasses or vines upon lands affected, in accordance with regulations in respect to the time and manner of planting, and the type and quantity of fertilizer and lime to be used, prescribed by the Strip Mining and Reclamation Commission. The owner of the surface shall be entitled to his choice of varieties among the trees, shrubs, grasses or vines prescribed by the commission.

Sec. 7. If the things required by Section 6 of this Act are not done within two years after the date of issuance of the permit, the Strip Mining and Reclamation Commission shall cause a notice of noncompliance to be served upon the holder of the permit, by registered mail addressed to the permanent address shown on the application for the permit, specifying in what respects the holder has failed to comply. If, within forty days after the mailing of the notice, the holder of the permit has not fully complied with the requirements, the permit shall be revoked and the performance bond shall be forfeited, and any other permits held by the same operator shall also be revoked. Any operator whose permit has been revoked shall not be eligible to receive another permit under this Act until he has complied with all of the requirements of this Act in respect to former permits issued to him.

Sec. 8. If the operator, land owner, or coal owner, including the lessee, desires to conduct drift mining operations upon premises covered by a strip mining permit, after cessation of the

strip mining operations, he may designate drift locations, and also outside haulageways along the exposed face of the coal, at which places it will not be necessary to replace the overburden during such time as bona fide drift mining operations are being carried on.

Sec. 9. The holder of a permit under this Act may file application with the Strip Mining and Reclamation Commission for an order authorizing him to reclaim and rehabilitate, in accordance with the provisions of Section 6 of this Act, a different area of land in lieu of that covered by his permit. Such different area of land must be land affected by strip or open pit mining of coal, of not less acreage than the land covered by the permit, and must be of a character and have a reclaimable value similar to the land covered by the permit. The application shall identify the different area of land and shall be accompanied by a map or plat showing its location, area and boundaries. The application shall also be accompanied by the written consent of the owner of the different area of land, to the proposed reclamation work, and by the written consent of the owner of the land covered by the permit, to release of the permit holder from his obligation to reclaim the land covered by the permit. The commission may grant such application, in its discretion, and upon issuance of an order granting the application, the permit holder shall reclaim, in accordance with the provisions of Section 6 of this Act, the land described in the application, and shall be relieved of his obligation to reclaim the land covered by the permit.

Sec. 10. The holder of a permit under this Act may, at any time within one year from the date of issuance of the permit, apply to the Strip Mining and Reclamation Commission for an amendment of the permit so as to reduce or increase the acreage covered by the permit. In the case of an application for reduction of acreage, the applicaton shall identify the land desired to be released from the permit, and the applicant shall present proof that he has not conducted strip or open pit mining on such land; and if the commission finds that the application should be granted, it shall amend the permit accordingly, execute a partial release of the performance bond in proportion to the released

land, and refund to the applicant, out of the Strip Mining and Reclamation Fund, the sum of ten dollars for each acre of land released from the permit. An application for an increase of acreage shall not be allowed for more than one acre in excess of that covered by the original permit; such application shall be in the same form as an original application for a permit; the applicant shall be required to pay a fee of ten dollars for the amendment, and shall be required to file a supplemental bond covering the additional land.

Sec. 11. When a bond is forfeited pursuant to the provisions of Section 7 of this Act, the Director of Strip Mining and Reclamation shall give notice thereof to the Attorney General, who shall collect the forfeiture without delay.

Sec. 12. All sums received through the payment of fees or the forfeiture of bonds shall be placed in the State Treasury and credited to a special agency fund account to be designated as the "Strip Mining and Reclamation Fund." This fund shall be available to the Strip Mining and Reclamation Commission for expenditure in the enforcement and administration of this Act and for the purpose of reclaiming and rehabilitating lands upon which strip mining operations have been conducted. The salaries and expenses authorized by this Act shall be paid out of this fund upon voucher of the Director of Strip Mining and Reclamation.

Sec. 13. The Strip Mining and Reclamation Commission shall cause to be reclaimed and rehabilitated, in accordance with the standards set forth in Section 6 of this Act, land with respect to which the permit holder has not complied with the requirements of Section 6. For this purpose, the commission may use moneys in the Strip Mining and Reclamation Fund, and may avail itself of any services that may be provided by other state agencies or by the federal government. The commission may cause the reclamation and rehabilitation work to be done through contracts with qualified persons, such contracts to be awarded to the lowest and best bidder upon competitive bids after reasonable advertisement. The commission and any other public agency cooperating with the commission, and any contractor under a contract with the commission, shall

have the right of access to the land for the purpose of this section. So far as practicable, moneys received from bond forfeiture shall be expended upon the lands to which the bond applied.

Sec. 14. When any permit holder has completed his operations under a permit and has complied with the provisions of Section 6 of this Act, the Director of Strip Mining and Reclamation, on proof of such compliance and surrender of the permit, shall issue to the permit holder a certificate of release, whereupon the bond given by the permit holder shall be discharged and the surety therein released.

Sec. 15. Any person aggrieved by any order, determination, ruling or regulation of the Strip Mining and Reclamation Commission, or of the Director of Strip Mining and Reclamation, may, within thirty days after the issuance thereof, apply to the commission for a review thereof. The commission shall, as soon as practicable, review the matter, hear the parties, their representatives and witnesses, and make a final order, determination, ruling or regulation, a copy of which shall be mailed to the interested parties. Within twenty days after the mailing of final order, determination, ruling or regulation, any person aggrieved thereby may appeal therefrom, on any question of law, including adequacy of evidence, to the Franklin Circuit Court. The petition shall state fully the grounds upon which a review is sought, assign all errors relied on, and be verified by the petitioner. Two copies of the petition shall be filed with the commission on the day it is filed with the Clerk of the Franklin Circuit Court. The petitioner shall file as a part of his petition the record before the commission, including all the pleadings, orders and such parts of the evidence as he believes necessary to develop the points involved. The commission may certify other portions of the evidence. To facilitate adjudication of the matter, the commission shall furnish to the petitioner, on payment of a reasonable fee to be fixed by the commission, a certified copy of such parts of the record as he may require. The case shall then be heard by the court on the record, except that either party may introduce evidence of fraud. Except as otherwise expressly provided, the provisions of the Civil Code

shall govern procedure involving appeals from any order, determination, ruling or regulation of the commission.

Sec. 16. (1) Any person who engages in the mining of coal by the strip or open pit method in violation of the provisions of Section 5 of this Act shall be fined not less than one thousand dollars nor more than five thousand dollars for each offense, and each day upon which a violation occurs or continues shall constitute a separate offense.

(2) Any person who willfully misrepresents any fact or willfully gives false information in any application under this Act shall be fined not less than one hundred dollars nor more than five hundred dollars for each offense.

Sec. 17. To carry out the purposes of this Act, there is appropriated to the Strip Mining and Reclamation Commission, out of the General Expenditure Fund in the State Treasury, the sum of \$5,000 for the balance of the 1949-1950 fiscal year, \$15,000 for the 1950-1951 fiscal year, and \$15,000 for the 1951-1952 fiscal year.

Sec. 18. This Act shall be known as "The Strip Mining and Reclamation Act."

Sec. 19. WHEREAS, the mining of coal by the strip or open pit method is creating conditions detrimental to the interests and welfare of the Commonwealth, and immediate remedying thereof is essential, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Said Committee amendment to said bill by way of substitute therefor is as follows, viz:

AN ACT relating to strip or open pit mining, and the conservation of natural resources as affected thereby.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. (1) The General Assembly finds that in many instances and under some circumstances and conditions the mining

of coal by the strip or open pit method causes soil erosion, stream pollution, the accumulation of stagnant water and the seepage of contaminated water, increases the likelihood of floods, destroys the value of land for agricultural purposes, counteracts efforts for the conservation of soil, water and other natural resources, destroys or impairs the property rights of citizens, creates fire hazards, and in general creates hazards dangerous to life and property, so as to constitute an imminent and inordinate peril to the welfare of the Commonwealth. The General Assembly further finds that there are wide variations in the circumstances and conditions surrounding and arising out of the mining of coal by the strip or open pit method, due primarily to differences in topographical and geological conditions, and by reason thereof it is necessary, in order to provide the most effective, beneficial and equitable solution to the problem, that a broad discretion be vested in the authority designated to administer and enforce the regulatory provisions enacted by the General Assembly. The General Assembly further finds that other commercial activities involving the removal of minerals and other natural substances other than coal from the earth by strip or open pit methods occasionally cause conditions or create results of the character enumerated above, but that no imminent or inordinate peril presently exists by reason thereof. Therefore, it is the purpose of this Act to provide such regulation and control of the mining of coal by the strip or open pit method as to minimize its injurious effects as much as may be reasonably possible, without at the same time placing an unreasonable burden on the business of recovering coal by the strip or open pit method, it being found by the General Assembly that this method of recovering coal permits and assists the conservation and recovery of coal which would not otherwise be recoverable.

(2) It is hereby declared to be the policy of the Commonwealth of Kentucky to encourage the recovery of coal by strip or open pit mining, it being recognized that strip or open pit mining permits the recovery of coal not recoverable by other methods of mining, and it shall be the duty of the Commission to administer this Act in a reasonable and practical manner and in such manner as to cause no unreasonable hardship upon the operators of strip mining plants and the Commission shall take into consideration

the value of the lands on which such strip operations have been or are to be conducted as they were or are before the beginning of such operations for agricultural and timber purposes and the actual value of such lands shall always be compared by the Commission with the amount required to comply with the maximum requirements of this Act, the primary purpose of this Act being to protect adjoining land owners from unreasonable hardships in connection with such operations.

Sec. 2. There hereby is created a "Strip Mining and Reclamation Commission," which shall constitute an independent agency of the state government within the meaning of Chapter 12 of the Kentucky Revised Statutes, and which shall be composed of the Commissioner of Conservation, serving as chairman, the Chief of the Department of Mines and Minerals, and the Director of Strip Mining and Reclamation provided for in Section 3 of this Act. The members of the commission, other than the Director of Strip Mining and Reclamation, shall receive no compensation for their services on the commission, but shall be reimbursed for their actual and necessary expenses incurred in performing their functions. The commission shall meet from time to time on the call of the chairman or of the Director of Strip Mining and Reclamation.

Sec. 3. The Director of Strip Mining and Reclamation shall be appointed by the Governor for a term not to exceed four years. The director shall receive a salary to be fixed by the Governor, and shall be reimbursed for actual and necessary expenses incurred in the performance of his duties. He shall be the executive officer of the commission and shall have supervision of the commission staff. The commission shall have power to employ such personnel as may be required to carry out the purposes of this Act. However, the services and facilities of other state agencies, within the scope of their regular functions, shall be utilized as far as possible to minimize the personnel requirements of this Act.

Sec. 4. The Strip Mining and Reclamation Commission shall prescribe reasonable rules and regulations within the scope of this Act to accomplish the purposes of the Act, but no such rule or regulation shall require of any permit holder any work or

duty not specified in Section 6 hereof. Any member of the commission or any employe delegated by the director shall have the right to enter upon any premises where strip or open pit mining of coal is being conducted or has been conducted for the purpose of inspection or enforcement.

Sec. 5. (1) Except as provided in subsection (5) of this section, no person, after sixty days from the effective date of this Act, shall engage in the mining of coal by the strip or open pit method, as a principal or operator or proprietor of the operation, without first having obtained from the Strip Mining and Reclamation Commission a permit therefor, designating the acreage upon which the operation is authorized to be conducted, and no operation shall be conducted upon any land other than that covered by a permit.

(2) The person desiring a permit shall file an application stating:

(a) The location and area of the land to be covered by the permit as shown on a map or plat filed with the application. The area covered by the permit shall include only the land containing the coal to be mined and recovered.

(b) The owner or owners of the surface of the land.

(c) The owner or owners of the coal to be mined.

(d) The source of the applicant's legal right to enter and mine the coal on the land to be covered by the permit.

(e) The permanent and temporary post office addresses of the applicant.

(f) Whether the applicant holds any other permits under this Act and an identification thereof.

(3) Before a permit is issued the applicant shall file with the commission a bond payable to the Commonwealth, with satisfactory security in the penal sum of not less than fifty dollars for each acre or fraction thereof to be covered by the permit conditioned for the faithful performance of the requirements set forth in Section 6 of this Act. The Commission may require bond to be in a penal sum in excess of fifty dollars as may be deemed necessary to accomplish the purpose for which the bond is required, taking into consideration the character and suitable use of the land involved, its fair market value and the estimated

cost of complying with the provisions of Section 6 of this Act, but the total bond shall not exceed the sum of fifty dollars or twice the fair market value of the face of the land to be stripped for each acre or fraction thereof to be covered by the permit whichever is the greater amount.

(4) Upon the filing of a proper application and bond, and upon payment by the applicant of a basis fee of fifty dollars, the commission shall issue the requested permit.

(5) This Act shall not apply to any operator who produces, through the mining of coal by the strip or open pit method, less than 250 tons of coal in any twelve-month period, and this Act shall not apply to any operator who produces and mines coal by the strip or open pit method as an incident to the construction of tram roads, entries to underground workings and other improvements and preparation for mining coal by other than the open pit or strip method.

Sec. 6. Within the time specified in Section 7 of this Act, any person who has carried on strip or open pit mining operations under a permit issued pursuant to this Act shall:

(1) When practicable cover the face of the coal.

(2) Seal off, with an earth fill, any break-through to underground working in the coal.

(3) To the extent required by regulation of the Strip Mining and Reclamation Commission, drain the surface involved in the mining operation, and provide such outlets as may be necessary to conduct storm and seepage waters from the surface to a permanent stream or stream bed with as little erosion as possible.

(4) Remove all metal, lumber and other foreign refuse resulting from the operation.

(5) In the case of lands which, prior to the mining operation, were suitable for agricultural or grazing purposes, regrade, in a manner approved by the Strip Mining and Reclamation Commission, the overburden or the other strata removed from the coal so as to refill any ditches, trenches or excavations made in the mining operation and restore the surface of the land to a reasonable contour, so as to minimize the hazards of floods, pollution of streams and water, accumulation of stagnant water,

and the loss of soil for agricultural or grazing purposes but where contour or hilltop stripping is being performed the spoil which is deposited below the elevation of the seam being mined need not be replaced in any land whether or not in use as and suitable for agricultural or grazing purposes.

(6) Where necessary to prevent erosion or to restore the productive qualities of the soil, plant trees, shrubs, grasses or vines upon lands affected, in accordance with regulations in respect to the time and manner of planting, and the type and quantity of fertilizer and lime to be used, prescribed by the Strip Mining and Reclamation Commission. The owner of the surface shall be entitled to his choice of varieties among the trees, shrubs, grasses or vines prescribed by the commission.

Sec. 7. If the things required by Section 6 of this Act are not done within two years after the date of issuance of the permit, the Strip Mining and Reclamation Commission shall cause a notice of noncompliance to be served upon the holder of the permit, by registered mail addressed to the permanent address shown on the application for the permit, specifying in what respects the holder has failed to comply. If, within forty days after the mailing of the notice, the holder of the permit has not fully complied with the requirements or diligently and in good faith prosecuted the work of complying, the permit shall be revoked and the performance bond shall be forfeited, provided that the permit holder shall be entitled to a hearing on the forfeiture of the bond and to an appeal from the determination of the Commission thereon as provided in Section 15 hereof.

Sec. 8. If the operator, land owner, or coal owner, including the lessee, desires to conduct drift mining operations upon premises covered by a strip mining permit, he may designate drift locations, and also outside haulageways along the exposed face of the coal, at which places it will not be necessary to replace the overburden during such time as bona fide drift mining operations are being carried on.

Sec. 9. The holder of a permit under this Act may file application with the Strip Mining and Reclamation Commission for an order authorizing him to reclaim and rehabilitate, in accordance with the provisions of Section 6 of this Act, a different area

of land in lieu of that covered by his permit. Such different area of land must be land affected by strip or open pit mining of coal, of not less acreage than the land covered by the permit, and must be of a character and have a reclaimable value similar to the land covered by the permit. The application shall identify the different area of land and shall be accompanied by a map or plat showing its location, area and boundaries. The application shall also be accompanied by the written consent of the owner of the different area of land, to the proposed reclamation work, and by the written consent of the owner of the land covered by the permit, to release of the permit holder from his obligation to reclaim the land covered by the permit. The commission may grant such application, in its discretion, and upon issuance of an order granting the application, the permit holder shall reclaim, in accordance with the provisions of Section 6 of this Act, the land described in the application, and shall be relieved of his obligation to reclaim the land covered by the permit.

Sec. 10. The holder of a permit under this Act may, at any time during the time the permit is in force, apply to the Strip Mining and Reclamation Commission for an amendment of the permit so as to reduce or increase the acreage covered by the permit. In the case of an application for reduction of acreage, the application shall identify the land desired to be released from the permit, and the applicant shall present proof that he has not conducted strip or open pit mining on such land; and if the commission finds that the application should be granted, it shall amend the permit accordingly, and execute a partial release of the performance bond in proportion to the released land. An application for an increase of acreage to be added to the permit shall be allowed to cover any additional area which can be operated as part of the operation covered by the original permit. Such application shall be in the same form as an original application for a permit. The applicant shall be required to pay a fee of ten dollars for the amendment and shall be required to file a supplemental bond covering the additional land.

Sec. 11. When a bond is forfeited pursuant to the provisions of Section 7 of this Act, the Director of Strip Mining and Reclamation shall give notice thereof to the Attorney General, who shall collect the forfeiture without delay.

Sec. 12. All sums received through the payment of fees or the forfeiture of bonds shall be placed in the State Treasury and credited to a special agency fund account to be designated as the "Strip Mining and Reclamation Fund." This fund shall be available to the Strip Mining and Reclamation Commission for expenditure in the enforcement and administration of this Act and for the purpose of reclaiming and rehabilitating lands upon which strip mining operations have been conducted. The salaries and expenses authorized by this Act shall be paid out of this fund upon voucher of the Director of Strip Mining and Reclamation.

Sec. 13. The Strip Mining and Reclamation Commission shall cause to be reclaimed and rehabilitated, in accordance with the standards set forth in Section 6 of this Act, land with respect to which the permit holder has not complied with the requirements of Section 6. For this purpose, the commission may use moneys in the Strip Mining and Reclamation Fund, and may avail itself of any services that may be provided by other state agencies or by the federal government. The commission may cause the reclamation and rehabilitation work to be done through contracts with qualified persons, such contracts to be awarded to the lowest and best bidder upon competitive bids after reasonable advertisement. The commission and any other public agency cooperating with the commission, and any contractor under a contract with the commission, shall have the right of access to the land for the purpose of this section. So far as practicable, moneys received from bond forfeiture shall be expended upon the lands to which the bond applied.

Sec. 14. When any permit holder has completed his operations under a permit and has complied with the provisions of Section 6 of this Act, the Director of Strip Mining and Reclamation, on proof of such compliance and surrender of the permit, shall issue to the permit holder a certificate of release, whereupon the bond given by the permit holder shall be discharged and the surety therein released.

Sec. 15. Any person aggrieved by any order, determination, ruling or regulation of the Strip Mining and Reclamation Commission, or of the Director of Strip Mining and Reclamation, may, within thirty days after the issuance thereof, apply to the

commission for a review thereof. The commission shall, as soon as practicable, review the matter, hear the parties, their representatives and witnesses, and make a final order, determination, ruling or regulation, a copy of which shall be mailed to the interested parties. Within twenty days after the mailing of final order, determination, ruling or regulation, any person aggrieved thereby may appeal therefrom, on any question of law or facts, or both, to the circuit court of the county in which the land in question is located. The petition shall state fully the grounds upon which a review is sought, assign all errors relied on, and be verified by the petitioner. Two copies of the petition shall be filed with the commission on the day it is filed with the clerk of the circuit court. The petitioner shall file as a part of his petition the record before the commission, including all the pleadings, orders and such parts of the evidence as he believes necessary to develop the points involved. The commission may certify other portions of the evidence. To facilitate adjudication of the matter the commission shall furnish to the petitioner on payment of a reasonable fee to be fixed by the commission, a certified copy of such parts of the record as he may require. The case shall then be heard by the court on the record, except that either party may introduce evidence of fraud. Except as otherwise expressly provided, the provisions of the Civil Code shall govern procedure involving appeals from any order, determination, ruling or regulation of the commission, to the circuit court and Court of Appeals. The forfeiture of the bond and other penalties provided in this Act shall not be invoked pending any appeal under the provisions of this Act and for sixty days after the final determination of such appeal. And the permit holder shall not be deemed in violation of this Act during such period.

Sec. 16. (1) The Director of the Strip Mining and Reclamation Commission may institute injunction proceedings against repeated violations of Section 5 of this Act in the circuit court of any county where such violations occur, and the court shall have jurisdiction to award temporary and permanent injunctions against any violations of Section 5 upon a showing of violation after notice thereof by the director.

(2) Any person who wilfully misrepresents any fact or willfully gives false information in any application under this

Act shall be fined not less than one hundred dollars nor more than five hundred dollars for each offense.

Sec. 17. To carry out the purposes of this Act, there is appropriated to the Strip Mining and Reclamation Commission, out of the General Expenditure Fund in the State Treasury, the sum of \$5,000 for the balance of the 1949-1950 fiscal year, \$15,000 for the 1950-1951 fiscal year, and \$15,000 for the 1951-1952 fiscal year.

Sec. 18. This Act shall be known as "The Strip Mining and Reclamation Act."

Said amendment to said Committee amendment to said bill by way of substitute therefor is as follows, viz:

Amend printed copy of Committee substitute for House Bill No. 293 on page 12, by striking therefrom Sec. 17 in its entirety.

Said amendment to said Committee amendment to said bill by way of substitute therefor was agreed to.

Mr. Beshear moved that the House do now concur in said Committee amendment to said bill by way of substitute therefor as amended.

The yeas and nays being required thereon by Mr. Preston and Mr. Steers were as follows, viz:

Those who voted in the affirmative were—

Sidney Baer	John A. Head	Carl J. Ruh
Clarence J. Barnum	E. R. Hilton	Amos Runyan
C. E. Baumgardner	Chester J. Holsclaw	Roy Searcy
Leonard T. Bean	W. M. Horn	Paul E. Shannon
Fred Beshear	Richard R. Houpt	Gus Sheehan, Jr.
Edward O. Bridgers	Robert N. Hubbard	Jesse H. Shelton
Charles J. Bronston	Silas Jacobs	John M. Spaulding
J. D. Buckman, Jr.	Barkley Jones	J. Claude Stacy
Charles W. Burnley	Paul S. Jonas	Raymond D. Stigall
Alex Calvert	Mrs. J. T. Linton	Mrs. Thelma Stovall
R. Josh Cosby	G. Lee McClain	M. G. Thompson
Thomas R. Duncan	Walter R. Moorman	Rev. T. H. Tinsley
Mitchell S. Fannin	C. S. Nabb	Fred M. Warns
James P. Hanratty	W. R. Reasor	Morris Weintraub
George F. Harris		

Those who voted in the negative were—

Bernam Adams	Woodrow W. Hollan	Emmett G. Moore
Bill Adams	Durham W. Howard	Dr. C. E. Palmore
John D. Beatty	Maurice G. Howard	Leonard W. Preston
R. O. Blevins	James W. Lambert	LeRoy Saylor
Thomas L. Britton	Jesse H. Lawrence	Roy Steers
B. H. Crider	Homer E. Losey	Ralph N. Walter
G. I. Drury	A. L. (Chick) Love	Harry Lee Waterfield
C. A. Hammons	True Mackey	Lyle H. Webb
Paul E. Hayes	Damon Majors	G. F. Williamson
Harold G. Helm	Jack McPherron	Charles W. Wirsch
William K. Henry	Alton Mitchell	—32

Thereupon, said Committee amendment to said bill by way of substitute therefor, as amended, was then agreed to.

Mr. Beshear moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, and same having been engrossed, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	Walter R. Moorman
Sidney Baer	John A. Head	C. S. Nabb
Clarence J. Barnum	William K. Henry	James H. Polsgrove
C. E. Baumgardner	E. R. Hilton	W. R. Reasor
Leonard T. Bean	Chester J. Holsclaw	Carl J. Ruh
Fred Beshear	W. M. Horn	Roy Searcy
Edward O. Bridgers	Richard R. Houpt	Paul E. Shannon
Charles J. Bronston	Robert N. Hubbard	Jesse H. Shelton
J. D. Buckman, Jr.	Silas Jacobs	Joseph T. Snapp
Charles W. Burnley	Paul S. Jonas	John M. Spaulding
Alex Calvert	Barkley Jones	Raymond D. Stigall
R. Josh Cosby	Mrs. J. T. Linton	Mrs. Thelma Stovall
Thomas R. Duncan	William T. Marshall	M. G. Thompson
Mitchell S. Fannin	G. Lee McClain	Rev. T. H. Tinsley
James P. Hanratty	Archie R. Moore	Morris Weintraub

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Those who voted in the negative were—

Bill Adams	Durham W. Howard	Dr. C. E. Palmore
Edgar Arnett	Maurice G. Howard	Leonard W. Preston
John D. Beatty	James W. Lambert	LeRoy Saylor
R. O. Blevins	Jesse H. Lawrence	J. Claude Stacy
L. E. Bradley	Homer E. Losey	Roy Steers
Thomas L. Britton	A. L. (Chick) Love	Fred M. Warns
Stanley Carter	Damon Majors	Harry Lee Waterfield
G. I. Drury	Jack McPherron	Lyle H. Webb
C. A. Hammons	Alton Mitchell	G. F. Williamson
Harold G. Helm	Emmett G. Moore	Charles W. Wirsch
Woodrow W. Hollan		

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Mr. Beshear moved that the House do now adopt the title of said amendment to said bill by way of substitute therefor as the title of said bill.

Said motion was agreed to.

Resolved that the title thereof be as amended.

Mr. Beshear moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

S. B. No. 195. AN ACT relating to war time, repealing Section 39.290 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. In counties containing a city of the first class the governing body of any unit of government may, by ordinance or resolution, establish daylight saving time within the limits of the governing body of said unit of government by advancing by one hour the standard time as heretofore fixed and existing in the United States pursuant to Act of Congress.

Section 2. Section 39.290 of the Kentucky Revised Statutes is hereby repealed.

Section 3. The provisions of this Act are severable. If any section hereof should be held unconstitutional or invalid, such decision regarding the section shall not affect or impair the remainder of the Act. It is hereby declared to be the legislative intent to enact such section hereof separate and specific. All laws in conflict herewith are hereby repealed.

Mrs. Stovall moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Mr. William L. Jones moved that the rules be suspended and debate on said bill be limited to ten minutes.

Said motion was agreed to.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Paul E. Hayes	C. S. Nabb
Bill Adams	John A. Head	Dr. C. E. Palmore
Edgar Arnett	E. R. Hilton	James H. Polsgrove
Sidney Baer	Woodrow W. Hollan	Carl J. Ruh
Clarence J. Barnum	Chester J. Holsclaw	Amos Runyan
C. E. Baumgardner	Richard R. Houpt	Dr. Roy Sanders
Fred Beshear	Maurice G. Howard	Paul E. Shannon
Charles J. Bronston	Silas Jacobs	Gus Sheehan, Jr.
Charles W. Burnley	Paul S. Jonas	Jesse H. Shelton
Alex Calvert	William Jones	Joseph T. Snapp
Paul Combs	James W. Lambert	John M. Spaulding
R. Josh Cosby	Jesse H. Lawrence	Raymond D. Stigall
B. H. Crider	Mrs. J. T. Linton	Mrs. Thelma Stovall
G. I. Drury	A. L. (Chick) Love	W. R. Stringer
Thomas R. Duncan	Harry K. Lowman	M. G. Thompson
Mitchell S. Fannin	True Mackey	Rev. T. H. Tinsley
James P. Hanratty	Archie R. Moore	Morirs Weintraub
George F. Harris	Walter R. Moorman	Charles W. Wirsch

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Those who voted in the negative were—

Leonard T. Bean	William K. Henry	Roy Searcy
John D. Beatty	W. M. Horn	Forest Smith
R. O. Blevins	Durham W. Howard	J. Claude Stacy
Edward O. Bridgers	Homer E. Losey	Roy Steers
Thomas L. Britton	G. Lee McClain	Fred M. Warns
J. D. Buckman, Jr.	Jack McPherron	Harry Lee Waterfield
Stanley Carter	Emmett G. Moore	Lyle H. Webb
Owen Deering	Leonard W. Preston	G. F. Williamson
Harold G. Helm	W. R. Reasor	

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the rules be suspended for the purpose of Report of Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, the Committee on Rules, to which the same had previously been referred, reported bills and resolutions of the following titles, viz:

S. Res. No. 53. A JOINT RESOLUTION giving legislative approval to that certain compact entered into by eleven Southern States, as amended, relative to the development and maintenance of regional educational services and schools in the Southern States in the professional, technological, scientific, literary and other fields, so as to provide greater educational advantages and facilities for the citizens in the several States who reside in such region; to declare that the State of Kentucky is a party to said compact, as amended, and that the agreements, covenants and obligations therein are binding upon said State; and appropriating funds for Kentucky's share of the cost of administrative services and operations under said compact.

S. Res. No. 62. A JOINT RESOLUTION designating the Board of Trustees of the University of Kentucky as the agency of the Commonwealth, subject to certain conditions and restrictions, to carry out such negotiations and do such other acts and things as may be necessary to administer, implement and fully carry out on behalf of the Commonwealth of Kentucky, the provisions of Senate Resolution 53 of the 1950 Regular Session of the General Assembly; and declaring an emergency.

S. B. No. 196. AN ACT relating to operators' licenses for certain motor vehicles.

S. B. No. 277. AN ACT relating to a Constitution Review Commission.

S. B. No. 280. AN ACT relating to ad valorem tax on distilled spirits.

S. B. No. 281. AN ACT relating to agreements with other States and Governments, and empowering the Governor to conduct the interstate relations of the Commonwealth.

S. B. No. 282. AN ACT relating to planning and zoning in the state capital and its environs; amending KRS 147.200, KRS 147.220, KRS 147.230, and KRS 147.250, and adding new sections.

S. B. No. 283. AN ACT relating to revenue and taxation.

S. B. No. 286. AN ACT relating to the State Fair Board, and its powers, duties and functions, including its powers with respect to operations, activities and enterprises at times other than when the State Fair is being conducted.

S. Res. No. 34. A JOINT RESOLUTION authorizing Ruth Wilson, Owsley County, Kentucky, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

S. Res. No. 39. RESOLUTION authorizing Beeler Ringo to sue the Commonwealth of Kentucky and the State Highway Commission (now Department of Highways), either or both.

S. Res. No. 42. A JOINT RESOLUTION authorizing Ray H. Tuggey, Mrs. Maude B. Tuggey, Mrs. Blanche B. Mills and Carl J. Baird to sue the Commonwealth of Kentucky.

S. Res. No. 46. RESOLUTION authorizing the personal representative of Augustus Mainous, Grant Judd, and William Flannery, deceased, to sue the Commonwealth of Kentucky and the Department of Highways, or either of them.

S. Res. No. 48. A JOINT RESOLUTION authorizing Sam Hensley to sue the Commonwealth of Kentucky, the Department of State Police, or either.

S. Res. No. 49. A RESOLUTION investigating the activities of the Kentucky Aeronautics Commission.

S. Res. No. 60. A JOINT RESOLUTION authorizing Charles Henderson, of Lexington, Fayette County, Kentucky, as parent, natural guardian and next friend for and on behalf of Patricia Ann Henderson, an infant under fourteen (14) years of age, to sue the Commonwealth of Kentucky and the Board of Education of the City of Lexington, Kentucky, or either.

With the expression of opinion that same should pass.

Whereupon, said bills and said resolutions were each and severally read at length for the first time and

Ordered placed in the Calendar.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 94. AN ACT relating to the compensation of marshals of county police forces; amending Section 70.560 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 70.560 of the Kentucky Revised Statutes is amended to read as follows:

The fiscal courts of the respective counties shall fix the salaries or compensation of the chief and all other appointees and employes appointed by the county judge in accordance with the provisions of KRS 70.540, provided, however, that no patrolman shall be paid more than \$2,400 per annum, no captain shall be paid more than \$2,700 per annum, no assistant chief shall be paid more than \$3,000 per annum, and no chief shall be paid, more than \$3,600 per annum, which salaries or compensation shall be payable in equal monthly installments out of the county levy, and further provided, that no fees or other compensation shall be paid or allowed to any of the officers or members of

said county police force. Provided, however, that the above salaries shall only apply to counties having a population of 70,000 or more inhabitants; that in counties having less than 70,000 inhabitants the salary of no person appointed under KRS 70.540 shall exceed \$1,800 per annum. The fiscal court shall, by order, fix the amount of the salary of all appointees within the limitations herein provided and may within their discretion provide for motor vehicles, stations, substations, places of detention, telephone, wireless, radio or other means of communication within their discretion and make appropriate levy and appropriations therefor, and may also, with the approval of the judge of the county court, direct the amount of bond to be required of each member of said county police force and may, in their discretion, provide for the payment of premiums on said bonds out of funds appropriated for said county police force.

Mr. Lambert moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Woodrow W. Hollan	Walter R. Moorman
Bill Adams	Chester J. Holsclaw	C. S. Nabb
Sidney Baer	W. M. Horn	Dr. C. E. Palmore
Clarence J. Barnum	Richard R. Houpt	James H. Polsgrove
Leonard T. Bean	Durham W. Howard	W. R. Reasor
Fred Beshear	Maurice G. Howard	Carl J. Ruh
Thomas L. Britton	Robert N. Hubbard	LeRoy Saylor
Charles J. Bronston	Silas Jacobs	Roy Searcy
J. D. Buckman, Jr.	Barkley Jones	Gus Sheehan, Jr.
Charles W. Burnley	William Jones	Forest Smith
Alex Calvert	James W. Lambert	Joseph T. Snapp
Stanley Carter	Jesse H. Lawrence	Roy Steers
R. Josh Cosby	Mrs. J. T. Linton	Raymond D. Stigall
Owen Deering	Homer E. Losey	Mrs. Thelma Stovall
G. I. Drury	A. L. (Chick) Love	W. R. Stringer
Thomas R. Duncan	Harry K. Lowman	M. G. Thompson
C. A. Hammons	True Mackey	Ralph N. Walter
James P. Hanratty	Damon Majors	Fred M. Warns
George F. Harris	William T. Marshall	Harry Lee Waterfield
Harold G. Helm	Jack McPherron	Lyle H. Webb
William K. Henry	Archie R. Moore	Morris Weintraub
E. R. Hilton	Emmett G. Moore	Charles W. Wirsch

—66

There voted in the negative—

Leonard W. Preston

—1

Resolved that the title thereof be as aforesaid.

Mr. Lambert moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 288. AN ACT relating to the establishment and operation of a Northern Kentucky Utility District.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. There hereby is established a Northern Kentucky Public Utility District, which shall embrace the counties of Kenton and Campbell, and all incorporated cities within those counties. The district shall constitute a public body corporate, and political subdivision, with power to sue and be sued, contract and be contracted with, and in other ways to exercise all of the powers of a corporation and a political subdivision, within the purview of this Act.

Sec. 2. The business, activities, and affairs of the Northern Kentucky Utility District shall be managed, controlled and conducted by a board composed of one representative from each county and each city embraced within the district. The fiscal court of each such county shall appoint a representative, and the legislative body of each such city shall appoint a representative, to serve on the board. Any person appointed need not be, but may be, an officer or employe of the county or city for which appointed. The members of the board shall serve for terms of four years, and until their successors are appointed and have qualified, subject to removal at any time at the pleasure of the appointing authority. Vacancies shall be filled by appointment by the appointing authority.

Sec. 3. Following the appointment of the first board for the Northern Kentucky Utility District, the members shall meet for the purposes of organizing and electing officers, and thereafter regular meetings shall be held at such time and place as the board may determine. The original meeting shall be held at a time and place to be selected by the representative on the board from Kenton County, who shall act as temporary chairman for the purpose. Thereafter, special meetings may be held at any time upon call of the regular chairman or of any three members.

Sec. 4. The officers of the board shall consist of a chairman, a vice-chairman, a secretary, an assistant secretary, and a treasurer, who shall be chosen from the membership of the

board for one year terms. No member or officer of the board shall receive any compensation for his services, except that if the member chosen as secretary is not an officer or employe of the county or city which he represents, he may be paid a salary of not more than \$500 per annum, and if the member chosen as treasurer is not an officer or employe of the county or city which he represents, he may be paid a salary of not more than \$200 per annum. The members of the board shall be reimbursed for their actual and necessary expenses in attending meetings of the board and otherwise in performing their functions.

Sec. 5. The board for the Northern Kentucky Utility District shall have power to adopt rules and bylaws governing the conduct of the affairs of the district. It shall further have power to make employments or enter into contracts for the furnishing of technical, skilled or professional services for the district.

Sec. 6. The Northern Kentucky Utility District, through its board, shall have power to:

(1) Negotiate and deal with public utilities serving any territory within the district or seeking a franchise to furnish such service.

(2) Render services to the counties and cities embraced within the district in the preparation of franchise ordinance or contracts and in the handling of utility rate cases affecting utility service within the district.

(3) Furnish information, advice and assistance to the counties and cities embraced within the district on all matters relating to public utility rates or service.

(4) Upon request of any county or city embraced within the district, represent such county or city before any regulatory body or court in any proceeding or case involving rates or service of a public utility.

(5) Appear before any regulatory body or court, as a party in interest, on behalf of the district, in any proceeding or case involving rates or service of a public utility within the district.

Sec. 7. Before any county or city embraced within the Northern Kentucky Utility District may grant any franchise or enter into any contract with a public utility, the proposed franchise or contract must be submitted to the board of the district, which shall within thirty days submit a report to the county or city setting forth its recommendations concerning the same.

Sec. 8. For the purpose of providing funds to enable the functions of the Northern Kentucky Utility District to be performed, each city embraced within the district shall pay to the district, at the beginning of each fiscal year of the district, the sum of \$50 for each 1000 or major fraction thereof of population of the city, the minimum payment in any case to be \$50, and each county embraced in the district shall pay to the district, at the same time, a sum equal to one-fourth of the total sum paid by all the cities located within the county. The fiscal year of the district shall begin on July 1 of each year and end on June 30 next following.

Sec. 9. The treasurer of the Northern Kentucky Utility District shall be required to give bond, with qualified corporate surety, in an amount sufficient to cover such sums as may be in his hands at any one time, conditioned upon the faithful performance of his duties and the faithful accounting for and paying over of all money that may come into his hands by virtue of his office.

Sec. 10. The funds of the district shall be paid out only on order of the board, on checks signed by the treasurer and countersigned by the chairman or other officers designated by the board. The funds of the district shall be kept on deposit in a depository bank selected by the board.

Mr. Weintraub moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Harold G. Helm	C. S. Nabb
Edgar Arnett	William K. Henry	Dr. C. E. Palmore
Sidney Baer	E. R. Hilton	Leonard W. Preston
Clarence J. Barnum	Woodrow W. Hollan	W. R. Reasor
C. E. Baumgardner	Chester J. Holsclaw	Carl J. Ruh
Leonard T. Bean	Richard R. Hout	Amos Runyan
Fred Beshear	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Maurice G. Howard	Roy Searcy
Charles J. Bronston	Robert N. Hubbard	Paul E. Shannon
J. D. Buckman, Jr.	Silas Jacobs	Gus Sheehan, Jr.
Charles W. Burnley	Paul S. Jonas	Forest Smith
Stanley Carter	Barkley Jones	Joseph T. Snapp
R. Josh Cosby	William Jones	Roy Steers
Owen Deering	Jesse H. Lawrence	Raymond D. Stigall
G. I. Drury	Mrs. J. T. Linton	Mrs. Thelma Stovall
Thomas R. Duncan	Harry K. Lowman	W. R. Stringer
Henry C. Hale	True Mackey	M. G. Thompson
C. A. Hammons	Damon Majors	Ralph N. Walter
James P. Hanratty	William T. Marshall	Fred M. Warns
George F. Harris	Jack McPherron	Harry Lee Waterfield
Paul E. Hayes	Archie R. Moore	Morris Weintraub
John A. Head	Walter R. Moorman	Charles W. Wirsch

—66

Those who voted in the negative were—

Bill Adams A. L. (Chick) Love

—2

Resolved that the title thereof be as aforesaid.

Mr. Weintraub moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 467. AN ACT relating to animals; to be known as the Livestock and Dog Protective Law of 1950.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. This Act shall be known and may be cited as the "Livestock and Dog Protective Law of 1950."

Sec. 2. For the purposes of this Act, the following terms shall have the following meanings:

(1) "Livestock" shall include horses, stallions, colts, geldings, mares, sheep, rams, lambs, bulls, bullocks, steers, heifers, cows, calves, mules, jacks, jennets, burros, goats, kids, swine and confined and domesticated hares and rabbits.

(2) "Poultry" shall include all domestic fowl and all game birds which are legally kept in captivity.

(3) "Persons" shall include state and local officers, employes, individuals, corporations, co-partnerships and associations.

(4) "Owner," when applied to the proprietorship of a dog, shall include every person having a right of property in such dog, and every person who keeps or harbors such dog or has it in his care, and every person who permits such dog to remain on or about any premises owned or occupied by him.

(5) "Kennel" shall mean any establishment wherein or whereon dogs are kept for the purpose of breeding, sale, show or sporting purposes, and which is so constructed that dogs cannot stray therefrom.

(6) "Police officer" shall mean any person employed or elected by this Commonwealth, or by any municipality, county, or district, whose duty it is to preserve peace or to make arrests or to enforce the law. The term includes State Police, game, fish and forest wardens, sheriffs, deputy sheriffs, constables, policemen and all other police or peace officers or any officer or employe of the Department, and "Sheriff" shall include deputy sheriffs.

(7) "Department" means the Department of Agriculture, Labor and Statistics.

(8) "Commissioner" means the Commissioner of Agriculture, Labor and Statistics.

(9) "Board" means the State Board of Agriculture.

(10) "Livestock Fund" means the fund established pursuant to this Act and shall include all receipts received through the Department under the terms of this Act and in addition thereto, any appropriations made by the terms of this Act and by the terms of any subsequent Acts.

Sec. 3. On or before the first day of January, 1951, and on or before the first day of January of each year thereafter, the owner of any dog six months old or over shall apply to the Sheriff of the county in which he resides either orally or in writing or to the Board for a license for each such dog owned or kept by him. Such application shall state the breed, sex, age, color and marking of each such dog and the name and address of the last previous owner; and shall be accompanied by a license fee of one dollar for each male dog and for each spayed female dog for which the owner presents a certificate from a licensed veterinarian stating that he has spayed the female dog. The veterinarian's certificate shall state the breed, age, color and markings of the dog and the date on which it was spayed. Applications for all other female dogs shall be accompanied by a

license fee of two dollars each. The sheriffs of the several counties shall be agents of the Commonwealth in the collection of said license fees, unless and until the Board shall determine, with the approval of the Governor, to issue all licenses directly; and, for services rendered in collecting and paying over the same, each such agent shall be allowed to retain the sum of 15c for each license issued by him. The balance of the license fee collected shall be paid to the Board on or before the 15th day each next succeeding month and shall be converted into the State Treasury by the Board and credited to the Livestock Fund.

Sec. 4. A dog license shall be issued on a form prepared and supplied by the Board. It shall be dated and numbered, and shall bear the name of the county in which the owner resides or in which the dog is to be kept and a description of the dog licensed. All licenses shall be void on January 1 of the following year.

Sec. 5. The Board shall prepare and furnish to each sheriff annually, metal tags which the sheriff shall give to owners of dogs when the owners pay the license fees for the dogs. Each tag shall be of metal, and shall bear the name of the county for which it is issued, and a serial number corresponding with the number of the license issued to the owner. Each tag shall also have impressed on it the calendar year for which the tag is issued, and shall be equipped with a substantial metal fastening device. The general shape of the tag shall be changed from year to year.

Sec. 6. (1) The tag shall be affixed to a substantial collar, which shall be furnished by the owner. The collar, with the tag attached, shall at all times be kept on the dog for which the license is issued.

(2) In any proceedings under this chapter the burden of proof of the fact that a dog has been licensed or has been imported for breeding, trial or show purposes, shall be on the owner of the dog. Any dog not bearing a license tag shall prima facie be deemed to be unlicensed.

Sec. 7. No person, except the owner or his authorized agent, shall remove any license tag from a dog collar, or re-

move any collar with a license tag attached to the collar, from any dog.

Sec. 8. If a tag is lost the sheriff or the Board shall replace it without cost, upon application by the person to whom the original license was issued, and upon production of the license.

Sec. 9. Any person becoming the owner after January 1 of any year of any dog which has not already been licensed shall forthwith apply for and secure a license for the dog in the same manner as the annual license is obtained.

Sec. 10. No license or tag issued for one dog shall be transferrable to another, except as provided in Sections 12 and 13 of this Act. Whenever the ownership or possession of any dog is permanently transferred from one person to another within the same county, the license of that dog may be likewise transferred upon notice given to the sheriff or to the Board. When the possession of a dog is temporarily transferred for the purpose of hunting game, or for breeding, trial or show in this state, a new license need not be secured, nor need a license already secured by transferred.

Sec. 11. (1) Whenever any dog licensed in one county is permanently removed to another county, the sheriff of the county where the license was issued or the Board shall, upon application of the owner of the dog, certify that license to the sheriff of the county to which the dog is removed. The sheriff of the county to which the dog has been removed or the Board shall, upon the payment of a fee of twenty-five cents, issue a license and tag for the dog in the county to which it is removed.

(2) Subsection (1) shall not apply to dogs used during the hunting season for hunting game, or temporarily used for breeding, trial or show in the state, nor for the transportation of dogs for hunting, breeding, trial or show purposes, the home county license holding good for such purposes throughout the state.

Sec. 12. (1) Any person who keeps or operates a kennel may, in lieu of the license for each dog required by Section 3

of this Act, apply to the sheriff or the Board for a kennel license entitling him to keep or operate the kennel.

(2) No kennel license shall be issued or be valid unless the person applying for it is the owner of all dogs kept in the kennel or the persons so applying are the owners in common of all dogs kept in the kennel.

(3) The license shall be issued by the sheriff or the Board on a form prepared and supplied by the Board and shall entitle the licensee to keep any number of dogs not at any time exceeding a certain number specified in the license.

(4) The fee to be paid for kennel licenses shall be ten dollars for each license to keep ten dogs or less, and twenty-five dollars for each license to keep more than ten dogs.

Sec. 13. (1) With each kennel license the sheriff or the Board shall issue a number of metal tags equal to the number of dogs authorized to be kept in the kennel. Each tag shall bear the name of the county in which the kennel is located and the number of the kennel license, and shall be readily distinguishable from the individual license tags for the same year.

(2) The licensee of a kennel shall, at all times, keep a tag attached to a collar on each dog kept by him under a kennel license. Such tags may be transferred from one dog to another within the kennel whenever any dog is removed from the kennel.

Sec. 14. (1) No dog authorized to be kept by a kennel license shall be permitted to stray or be taken anywhere outside the limits of the kennel, except temporarily and in leash, or temporarily for the purpose of hunting, breeding, trial or show.

(2) Any dog outside of the kennel in violation of subsection (1) shall be considered as if never licensed.

Sec. 15. (1) The county tax commissioner in each county shall annually, at the time of assessing property, make diligent inquiry as to the number of dogs owned, harbored, or kept by any person, and shall make an affidavit, setting forth that he has made diligent inquiry and visited all persons in the county to

ascertain whether or not they had dogs, and has listed all dogs. On his failure to make the affidavit, he shall not receive anything for his services.

(2) The county tax commissioner shall annually, on or before December 31, make a complete report to the sheriff, and a duplicate report to the Board on a blank form furnished by the Board, setting forth the name of every owner of any dog, whether licensed or unlicensed, the license number of each dog, how many of each sex, licensed or unlicensed, are owned or harbored by the owner, and if a licensed or unlicensed kennel is maintained by any person that fact shall also be stated.

(3) The county tax commissioner, at the time of taking the list, shall notify the owner of the dog that he is required to obtain a license, but the neglect or failure to notify the owner shall not relieve the owner from his duty to obtain the license.

Sec. 16. (1) Each sheriff shall keep a record of all dog licenses and all kennel licenses issued during the year. The record shall contain the name and address of the person to whom each license is issued. In the case of an individual license, the record shall also state the breed, sex, age, color and markings of the dog licensed; and, in the case of a kennel license, the place where the business is conducted. The record shall be a public record and open to persons interested, during business hours. The Board shall keep the same or a similar record with respect to each license issued by it.

(2) Whenever the ownership or possession of any licensed dog is transferred from one person to another, except in the case of a temporary transfer of dogs for hunting, breeding, trial or show, as provided in Section 10 of this Act, the transfer shall be noted on the record of the sheriff or of the Board making the transfer.

Sec. 17. (1) All license fees collected by each sheriff or paid over to him by a deputy sheriff, less his authorized fee, shall be paid to the Board and credited to the Livestock Fund.

(2) All fines collected under this Act shall, after costs and commissions have been deducted, be paid to the Board to be credited to the Livestock Fund.

(3) Each sheriff shall keep, as a matter of information, an accurate record of all license fees collected by him or paid over to him by a deputy sheriff, in a book furnished by the Board.

(4) All expenses incurred under this Chapter and not otherwise provided for, shall, upon the approval of the Board, be paid out of the Livestock Fund.

Sec. 18. Each sheriff or deputy sheriff shall receive fifteen cents for each license issued by him, to be retained by the sheriff or deputy sheriff as his fee for issuing the license.

Sec. 19. (1) The owner of a dog which has killed or injured any livestock, or has bitten them so seriously that they have had to be destroyed, shall be civilly liable to the owner of the livestock for all damages done, and costs.

(2) If it appears from the complaint, and from the appraisers' report filed under Section 29 of this Act, that the owner who suffers the loss will for any cause probably be unable to collect the damages in a civil action, or if it appears from the complaint and appraisers' report that the owner of the dog is not known, the owner who suffers the loss shall be reimbursed out of the Livestock Fund in the manner and subject to the terms, provisions and limitations in this Act provided or authorized.

Sec. 20. Any person may bring, or cause to be brought into the State, for a period of thirty days, one or more dogs for show, trial, or breeding purposes without securing a license, and any person holding a Kentucky nonresident hunting license may, without securing a license or licenses therefor, bring or cause to be brought into the State one or more dogs for the purpose of hunting game during any hunting season when hunting with dogs is permitted by law, if a similar exemption from the necessity of securing dog licenses is afforded for hunting purposes to residents of Kentucky by the state of such person's residence; provided, however, that each dog is equipped with a collar bearing a name plate giving the name and address of the owner.

Sec. 21. On and after the first day of July, 1950, it shall be unlawful for any person to own or keep any dog six months

old or older, unless such dog is licensed in or for the county in which the dog is kept, and unless such dog at all times wears the collar and tag provided for by this Act, unless such dogs are temporarily brought into the State for breeding, hunting, trial, or show purposes as hereinbefore provided.

Sec. 22. (1) It shall be the duty of every police officer to seize and detain any dog or dogs which bear a proper license tag and which are found running at large, either upon the public streets or highways of the Commonwealth, or upon the property of other than the owner of such dogs, and unaccompanied by the owner or keeper. Any police officer is hereby authorized and empowered to go upon any premises and enter any building to seize and detain any dog or dogs which have been found running at large unaccompanied by the owner or keeper, when such police officer is in immediate pursuit of any such dog or dogs. The police officer shall cause any dog bearing a proper license tag and so seized and detained to be properly kept and fed, and shall cause immediate notice either personal or by registered mail, to be given to the person in whose name the license was procured, or his agent, to claim such dog within ten days. The owner of a dog so detained shall pay all reasonable expenses incurred by reason of its detention, under the provisions of this section, before the dog is returned. If, after ten days from the giving of such notice, the dog has not been claimed, the police officer shall dispose of such dog by sale or by destruction in some humane manner. No dog so caught and detained shall be sold for the purpose of vivisection. All moneys derived from the sale of such dog, after deducting the expense of its detention and sale, shall be paid to the Board.

(2) It shall be the duty of every police officer to kill any dog which does not bear a proper license tag, which is found running at large.

Sec. 23. An officer shall be paid the sum of two dollars for killing and properly disposing of the carcass of each unlicensed dog by cremation, burial, or other approved sanitary method. All expenses incurred under this or the preceding section and not otherwise provided for, shall be paid by the Board from the Livestock Fund.

Sec. 24. (1) It shall be unlawful for any police officer to fail or refuse to perform his duties under the provisions of this Act, or to refuse to assist in the enforcement of this law upon request of the Board.

(2) It shall be unlawful for any person to interfere with any officer or agent in the enforcement of this law.

(3) It shall be unlawful for any person to forcibly cut the leash or take a dog away from an officer having it in his possession, when such dog was found running at large unaccompanied by the owner or keeper or unlicensed.

Sec. 25. (1) Any person may kill any dog which he sees in the act of pursuing, worrying, or wounding any livestock, or wounding or killing poultry, or attacking human beings, whether or not such dog bears the license tag required by the provisions of this Act. There shall be no liability on such person in damages or otherwise for such killing.

(2) Any unlicensed dog that enters any field, or any dog that enters any field or inclosure where livestock or poultry are confined which is not accompanied by its owner or keeper shall constitute a private nuisance and the owner or tenant of such field, or his agent or servant, may kill such dog while it is in the field or inclosure, without liability or responsibility of any nature for such killing.

(3) Licensed dogs, when accompanied by their owner or handler, shall not be included under the provisions of this section, unless caught in the act of worrying, wounding or killing any livestock, or wounding or killing poultry, or attacking human beings.

(4) Any person who has been attacked by a dog, or any one for such person, may make a complaint before a Justice of the Peace, or Judge of any Police or Quarterly Court, charging the owner or keeper of such dog with harboring a vicious dog. A copy of such complaint shall be served upon the person so charged, in the same manner and subject to the same laws regulating the service of summons in civil suits, directing him to appear for a hearing of such complaint at a time fixed therein. If

such person shall fail to appear at the time fixed, or if upon a hearing of the parties and their witnesses, the Court shall find the person so charged is the owner or keeper of the dog in question, and that the dog has viciously and without cause, attacked a human being when off the premises of the owner or keeper, such official shall order the said owner or keeper to henceforth keep such dog securely confined.

(5) For his services in such proceedings, the judge or justice of the peace and the police officer shall be entitled to the same fees they are entitled to for performing similar services in civil cases. In all proceedings under this section, such court shall place the costs upon either party as he may determine.

(6) It shall be unlawful for the owner or keeper of any vicious dog, after receiving such order, to permit such dog to run at large, or to appear on the public highways unless in leash. Any such dog found running at large may be killed by any police officer without liability for damages for such killing.

Sec. 26. (1) All dogs hereby are declared to be personal property and subjects of larceny. Except as provided in Section 25 of this Act, it is unlawful for any person, except a police officer, to kill, injure, or poison, or attempt to kill, injure, or poison, any dog which bears a license tag for the current year.

(2) It shall be unlawful for any person to place any dog-buttón or any poison of any description in any place, on his own premises or elsewhere, where it may be easily found and eaten by dogs.

Sec. 27. It shall be unlawful for the owner or keeper of any female dog to permit such female dog to go beyond the premises of such owner or keeper at any time she is in heat, unless such female dog is properly in leash.

Sec. 28. (1) The owner or keeper of every dog shall at all times between the hours of sunset and sunrise of each day keep such dog either—(a) confined within an inclosure from which it cannot escape, or (b) firmly secured by means of a collar and chain or other device so that it cannot stray beyond the prem-

ises on which it is secured, or (c) under the reasonable control of some person or when engaged in lawful hunting accompanied by an owner or handler.

(2) Any police officer may kill any dog found running at large between the hours of sunset and sunrise and unaccompanied and not under the control of the owner or handler.

Sec. 29. (1) Whenever any person sustains any loss or damage to any livestock or poultry by dogs, or sustains loss of livestock from rabies, or any livestock or poultry of any person is necessarily destroyed because of having been bitten by a dog, except when such loss, destruction or damage shall have been caused by a dog harbored by the owner of such livestock or poultry, such person or his agent or attorney may, immediately after the damage is done, complain to a duly authorized agent of the Board. Such complaint shall be in writing, shall be signed by the person making such complaint, and shall state when, where, and how such damage was done, and by whose dog or dogs, if known, or whether the animal died from rabies or was killed because of rabies. Claims covering damage due to rabies shall be made immediately following the death of the animal, and shall be supported by a certificate from a duly licensed veterinarian, or a report from a laboratory approved by the Board to the effect that such animal was affected with rabies. It shall not be necessary to prove that an animal dying from or killed because of rabies was actually bitten by a dog. The presumption shall exist that such animal was so bitten. Upon receipt of such notice, the agent of the Board shall at once examine the place where the alleged loss or damage was sustained and the livestock or poultry injured or killed or in case of rabies where it died or was killed. The agent of the Board shall examine under oath or affirmation, any witnesses called before him. After making diligent inquiry in relation to such claim, such agent, acting as appraiser, shall determine whether any damage has been sustained and the amount thereof and, if possible, who was the owner of the dog or dogs by which such damage was done. If the owner does not agree as to the amount of damage allowed by the appraiser, the owner and appraiser may appoint a disinterested citizen to assist in determining the

amount of damage sustained. For such services, the said disinterested citizen shall receive two dollars and mileage at five cents per mile for the distance traveled, which shall be paid by the owner and considered as part of the costs in such claim.

(2) Any owner or keeper of such dog or dogs shall be liable to the owner of such livestock or poultry, in a civil action, for all damages and costs, or to the Commonwealth to the extent of the amount of damages and costs paid by the Commonwealth as hereinafter provided.

Sec. 30. The Commonwealth shall be liable to the owner of any legally licensed dog for the value thereof not exceeding its assessed value and in no event to exceed one hundred dollars if illegally killed by any police officer or other person, and the Commonwealth may thereupon recover the amount so paid to such owner from the police officer or other person doing the illegal killing by an action at law. The value of said dog shall be ascertained in the same manner as provided in Section 29 of this Act for affixing the damage done to livestock by dogs.

Sec. 31. (1) Upon the Board receiving and approving the appraisal report, if it appears thereby that a certain amount of damage has been sustained by the claimant, the Commissioner shall immediately draw a requisition in favor of the claimant for the amount of loss or damage such claimant has sustained according to such report, together with necessary and proper costs incurred. Such amount shall be paid from the Livestock Fund. If such report is not approved, and it is deemed advisable, a further investigation may be made by the Board through its officers or agents, to ascertain the amount of damage sustained. No person shall receive payment for any claim until the appraiser, before whom the claim was made, has certified that due diligence was made to ascertain whose dog or dogs did the damage, and the claimant has certified that the carcasses of the livestock or poultry killed or dying from or killed because of rabies and for which damages have been assessed were buried within twenty-four hours after the assessment of damages. The owners of any livestock or poultry killed by dogs, or livestock dying from or killed because of rabies, or livestock necessarily

destroyed because of having been bitten by a dog other than a dog harbored by such person, shall be paid a burial fee, as follows: For each stallion, horse, colt, gelding, mare, bull, bullock, steer, heifer, cow, mule, jack, jennet, or burro, one dollar and fifty cents; for sheep, ram, lamb, calf, goat, kid, or swine, one dollar each for the first three animals, and fifty cents for each additional animal; for each head of poultry or domestic game bird, domestic hare or rabbit, ten cents each—to be included in said report and paid as other damages under this section. Where said carcasses are turned over to a scavenger or reduction plant, no burial fee shall be allowed.

(2) Upon payment by the state of damages to livestock or poultry by dogs, the rights of the owner of such livestock or poultry or domestic game bird against the owner of a dog, to the extent of the amount of damages so paid by the state, shall inure to the benefit of the state.

Sec. 32. (1) No payment shall be made for any injury to or destruction of livestock or poultry if payment has been made by the owner of the dog or dogs doing the injury. The fact that no such payment has been made shall be certified by the claimant.

(2) When any payment is made by the state for any livestock, including poultry, injured by a dog, and livestock dying from or killed because of rabies, such payment shall not exceed one hundred dollars for each horse or mule; one hundred dollars for each head of unregistered cattle; one hundred twenty-five dollars for each head of registered cattle; twenty dollars for each head of unregistered swine, sheep or goats; forty dollars for each head of registered swine, sheep or goats; three dollars for each full grown goose; five dollars for each full grown turkey; and one dollar for each head of other poultry, or domesticated hare or rabbit. All appraisals under this Act shall be the actual value of the livestock, including poultry killed or injured.

Sec. 33. Any valid claims, or parts thereof, for loss or damage to sheep, horses, mules, cattle, swine or poultry which have accrued under the provisions of Chapter 258 of the Kentucky Revised Statutes, 1948 Edition, and any such claims which

may accrue prior to July 1, 1950 shall not abate by reason of the repeal of such Act, but to the extent that funds are available for the payment thereof, such claims shall be paid out of the available fund of the proper county; and for such purposes the provisions of said Act are hereby saved from repeal.

Sec. 34. (1) If, in the report of the appraiser, the name of the owner of any dog or dogs having caused loss or damage to any livestock or poultry is definitely and conclusively shown, or if a written complaint is filed with the Board by any owner of livestock or poultry against any dog or dogs, stating that such dog or dogs has or have been seen pursuing or worrying livestock or poultry, and if such charge is proven by investigation on the part of the Board, the Commissioner may notify the owner or keeper of such dog or dogs to immediately kill the same; whereupon it shall be unlawful and a violation of this Act for such owner or keeper to permit or cause such dog or dogs, while alive, to leave or be removed from such premises. The killing of such dogs does not remove the liability of the owner of such damage done by his dog or dogs. Upon failure of such owner to comply with such order within a period of ten days, any police officer, upon notice from the Board, shall kill such dog or dogs wherever found. For such service he shall be entitled to a fee of one dollar for each dog so killed, to be paid out of the Livestock Fund upon presentation to the Board of satisfactory proof that such dog or dogs have been killed by him.

(2) Any person who owns or harbors an unlicensed dog or dogs shall forfeit any right to be reimbursed for any damage to his livestock or poultry by dogs.

Sec. 35. It is unlawful for any person knowingly to make any false statement or to conceal any fact required to be disclosed under any of the provisions of this Act.

Sec. 36. (1) In any proceeding under this Act, the burden of proof of the fact that a dog has been licensed, or has been imported for breeding, trial, or show purposes, or that a dog is under the age of six months, shall be on the owner of such dog.

(2) Any dog not bearing a license tag shall prima facie be deemed to be unlicensed.

Sec. 37. (1) When the inhabitants of any city, or county, or of any part thereof, have suffered an excessive amount of damage to livestock or poultry or domestic game birds by dogs, a petition may be presented to the Board, signed by twenty or more of such inhabitants who are owners of livestock or poultry, alleging such excessive damage and requesting that a quarantine be placed on all dogs within the limits of such city, or county, or such part thereof. Upon receipt of such petition, the Board may, through its authorized agents, have an investigation made of the facts alleged therein and, if convinced that conditions in such city, county, or such designated area, demand such stringent measures, may establish a dog control quarantine therein.

(2) When such quarantine is established, at least ten notices thereof shall be posted throughout the area affected thereby, and notice thereof shall also be published in at least one issue of a newspaper of general circulation throughout such city, or county.

(3) It shall be unlawful for any person, residing in the area affected by such quarantine, to permit a dog owned or harbored by him to run at large in such quarantined area, or to leave the premises where it is kept, unless accompanied by and under the control of the owner or a handler.

(4) Any police officer may kill any dog running at large in a quarantined area, in violation of such quarantine, without any liability for damage of such killing.

Sec. 38. (1) The Board, through its officers and agents, shall be charged with the enforcement of this Act. To this end, the Board may employ all proper means for the enforcement of this Act and may enter into agreements with local agencies and organizations to aid and assist in the enforcement of the Act. The Board may employ such personnel as may be necessary for the effective enforcement of the provisions of this Act and persons so employed shall have all of the powers of peace or police officers with respect to the enforcement of this Act and they may enter upon the premises of any person for the purpose of investigation upon displaying a badge of identification to be furnished by the Board. The Board may conduct a publicity campaign to

aid in the enforcement of the provisions of this Act. The costs of publishing advertisements, notices, and other publications deemed desirable by the Board shall be paid out of the Livestock Fund as a part of the costs of administering this Act. All salaries, traveling expenses and other expenses incurred by the Board, its officers and agents, including the costs of publishing notices, advertisements and other publications, the costs of license blanks, tags and other expenses incident to the enforcement of this Act, shall be paid out of the Livestock Fund. All other claims and charges authorized by this Act, or by rules and regulations made by the Board pursuant to the provisions of this Act, shall also be paid out of the Livestock Fund.

(2) The Board shall make and promulgate such rules and regulations for the enforcement of this Act as it may deem reasonable and proper.

Sec. 39. The Board shall fix and prescribe reasonable fees to be paid to its agents and appraisers and the expenses which will be allowed and paid to such agents. All full-time employees of the Board shall be paid salaries and expenses to be fixed by the Board with the approval of the Department of Finance.

Sec. 40. Notwithstanding any of the terms or provisions of this Act, the Commonwealth of Kentucky shall not be liable for any loss, injury to, or destruction of livestock, poultry, or licensed dogs under any of the terms or provisions of this Act except as to such claims arising after June 30, 1951, and then only to the extent that monies may be available in the Livestock Fund for the payment of such claims. Within the meaning of this section, the loss, injury to, or damage of livestock, poultry or licensed dogs must happen or occur after June 30, 1951.

Sec. 41. Nothing in this Act shall be construed to prohibit or to limit the right of any municipality to pass or enforce any ordinance with respect to the regulation of dogs, the provisions of which are not inconsistent with the terms and provisions of this Act. Nothing in this Act shall be construed to repeal any of the provisions of the fish and game laws of the Commonwealth of Kentucky now in effect, nor any laws relating to the powers

and duties of the State Board of Health, or of any health officer relating to mad dogs or dogs affected with any disease, or to prohibit the killing of licensed or unlicensed dogs in accordance with the provisions of any quarantine regulations made in accordance with the provisions of any local or state health officer.

Sec. 42. Any person violating or failing or refusing to comply with any of the provisions of this Act shall, upon conviction, be fined not less than five dollars nor more than one hundred dollars or imprisoned for not less than five nor more than sixty days or both so fined and imprisoned.

Sec. 43. Except as provided in Section 33 of this Act, Chapter 258 of the Kentucky Revised Statutes hereby is repealed in its entirety.

Sec. 44. In addition to the license fees, fines and other revenues provided by this Act, there hereby is appropriated to the Board for the account of the Livestock Fund for the administration and enforcement of this Act, the sum of thirty thousand dollars for each of the fiscal years 1950-51 and 1951-52.

Sec. 45. (1) Except as provided in Sections 32 and 40, this Act shall take effect on the first day of July, 1950. The Board may issue license blanks and tags and the sheriffs may issue licenses for the year 1950 at any time after July 1, 1950. All license fees collected by the sheriffs for the licensing of dogs after June 30, 1950 shall be paid to the Board on or before the fifteenth day of the following month and the Board shall cover such receipts into the State Treasury through the Department of Finance and the fund so covered in the State Treasury shall be credited to the Livestock Fund to be expanded as authorized by this Act.

(2) The Livestock Fund shall constitute a revolving fund and any balance remaining in said fund at the end of any fiscal year shall be carried over to the next succeeding year and no part thereof shall revert to the General Fund, except that on the first day of January of any year any unencumbered sum in excess of \$200,000 standing to the credit of the Livestock Fund shall revert to the General Fund.

Mr. Thompson moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	Damon Majors
Edgar Arnett	Paul E. Hayes	G. Lee McClain
Sidney Baer	John A. Head	Jack McPherron
Clarence J. Barnum	Harold G. Helm	Walter R. Moorman
C. E. Baumgardner	William K. Henry	C. S. Nabb
Leonard T. Bean	W. M. Horn	Dr. C. E. Palmore
Fred Beshear	Richard R. Hought	James H. Polsgrove
Charles J. Bronston	Robert N. Hubbard	Leonard W. Preston
Charles W. Burnley	Silas Jacobs	W. R. Reasor
Alex Calvert	Paul S. Jonas	Carl J. Ruh
Stanley Carter	Barkley Jones	Amos Runyan
R. Josh Cosby	William Jones	Roy Searcy
Owen Deering	James W. Lambert	Paul E. Shannon
Thomas R. Duncan	Mrs. J. T. Linton	Gus Sheehan, Jr.
C. A. Hammons	Harry K. Lowman	Forest Smith
James P. Hanratty	True Mackey	Joseph T. Snapp

J. Claude Stacy	W. R. Stringer	Lyle H. Webb
Roy Steers	M. G. Thompson	Morris Weintraub
Raymond D. Stigall	Rev. T. H. Tinsley	G. F. Williamson
Mrs. Thelma Stovall	Harry Lee Waterfield	Charles W. Wirsch

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Those who voted in the negative were—

Bill Adams	Woodrow W. Hollan	Alton Mitchell
J. D. Buckman, Jr.	Maurice G. Howard	Archie R. Moore
Paul Combs	Homer E. Losey	Ralph N. Walter
Henry C. Hale		

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Resolved that the title thereof be as aforesaid.

Mr. Thompson moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 274. AN ACT relating to the powers of counties with respect to regulation of the construction, reconstruction, relocation, remodeling, repair and maintenance of buildings in unincorporated territory within the county.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The fiscal court of any county shall have authority, by order or resolution, to adopt, and modify or amend from time to time, and to enforce, regulations governing the construction, reconstruction, remodeling, repair and maintenance of buildings, other than buildings for agricultural purposes located upon premises that are used solely for agricultural purposes.

Mr. Weintraub moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	E. R. Hilton	W. R. Reasor
Sidney Baer	Woodrow W. Hollan	Carl J. Ruh
Clarence J. Barnum	Chester J. Holsclaw	Amos Runyan
C. E. Baumgardner	W. M. Horn	Roy Searcy
Leonard T. Bean	Richard R. Houpt	Paul E. Shannon
Fred Beshear	Maurice G. Howard	Gus Sheehan, Jr.
Charles J. Bronston	Robert N. Hubbard	Forest Smith
J. D. Buckman, Jr.	Silas Jacobs	Joseph T. Snapp
Charles W. Burnley	Paul S. Jonas	John M. Spaulding
Stanley Carter	Barkley Jones	Roy Steers
Paul Combs	Jesse H. Lawrence	Raymond D. Stigall
R. Josh Cosby	Homer E. Losey	Mrs. Thelma Stovall
G. I. Drury	A. L. (Chick) Love	W. R. Stringer
Thomas R. Duncan	Harry K. Lowman	M. G. Thompson
Henry C. Hale	True Mackey	Rev. T. H. Tinsley
C. A. Hammons	Damon Majors	Ralph N. Walter
James P. Hanratty	William T. Marshall	Fred M. Warns
George F. Harris	G. Lee McClain	Morris Weintraub
Paul E. Hayes	Walter R. Moorman	G. F. Williamson
John A. Head	Dr. C. E. Palmore	Charles W. Wirsch
William K. Henry		

Those who voted in the negative were—

Alton Mitchell

Leonard W. Preston

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Resolved that the title thereof be as aforesaid.

Mr. Weintraub moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 409. AN ACT to amend Section 339.230 of the Kentucky Revised Statutes relating to child labor.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 339.230 of the Kentucky Revised Statutes is amended to read as follows:

339.230 Minors between fourteen and sixteen, restrictions on employment of; special restrictions for females. A minor who has passed his fourteenth birthday but is under sixteen years of age may be employed, permitted or suffered to work in, about or in connection with any gainful occupation, except:

(1) He may not be employed during school hours unless he has been found incapable of profiting by further instruction, as provided in KRS 339.290, and then only in such occupations as are authorized in accordance with that section, or unless he has graduated from high school.

(2) He may not be employed:

(a) In, about or in connection with any manufacturing or mechanical establishment.

(b) On or in connection with any power-driven machinery except under school supervision as provided in KRS 339.430.

(c) As a messenger for any person, firm or corporation engaged primarily in the business of transmitting or delivering goods or messages.

(d) In the manufacture, transportation, or use of explosives or highly inflammable substances; in or about mines or quarries; in any tunnel or excavation; in logging operations or in any saw-mill, lath mill, shingle mill, or cooperage stock mill; as engineers, firemen, brakemen, or switchmen on any railroad, in the operation of motor vehicles; upon any scaffolding or in heavy construction work; in operating steam boilers carrying a pressure of fifteen pounds or more; in operating or assisting in operating elevators, cranes, derricks, or hoists; in operating or assisting in operating any punch presses or stamping machines, metal or paper cutting machines having a guillotine action, metal shears or plate bending machines, machines used for cold rolling of heavy metal stock, woodworking machines, grinding, abrasive or polishing machines, laundry or dry cleaning machines, calendar rolls or mixing rolls in paper or rubber manufacturing, dough breakers or dough mixing machines or machines used for opening, picking or carding of cotton or wool; in ore reduction work; smelters, hot rolling mills; plant manufacturing iron and steel; foundries; forging shops, and in any other place in which the heating, melting, or heat treatment of metals is carried on; in the manufacture or use of dangerous or poisonous dyes or chemicals and their compounds, or in the manufacture of lead, or in exposure to lead or its compounds; in any occupation involving exposure to radioactive substances; in oiling or cleaning machinery in motion; in stone cutting or polishing; or in assorting, manufacturing or packing tobacco.

(e) In, about or in connection with any establishment where alcoholic liquors are distilled, rectified, compounded, brewed, manufactured, bottled, sold for consumption or dispensed (except he may be employed in places where the sale of alcoholic beverages by the package is merely incidental to the main business actually conducted), or in a pool or billiard room.

(f) In any place of employment, or at any occupation, that

is hazardous or injurious to the life, health, safety or welfare of such minor.

(g) In a public bowling alley.

(3) A female minor of such age may not be employed in the distribution or sale of newspapers, magazines or periodicals, or in the street occupations of peddling or bootlacking or in any other occupation pursued in any street or public place.

Mr. Burnley moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	J. D. Buckman, Jr.	John A. Head
Edgar Arnett	Charles W. Burnley	William K. Henry
Clarence J. Barnum	Stanley Carter	Chester J. Holsclaw
C. E. Baumgardner	G. I. Drury	Richard R. Houpt
Leonard T. Bean	Thomas R. Duncan	Robert N. Hubbard
Fred Beshear	C. A. Hammons	Silas Jacobs
Charles J. Bronston	George F. Harris	Paul S. Jonas

Barkley Jones	Jack McPherron	Mrs. Thelma Stovall
William Jones	C. S. Nabb	W. R. Stringer
Jesse H. Lawrence	Dr. C. E. Palmore	M. G. Thompson
Mrs. J. T. Linton	James H. Polsgrove	Rev. T. H. Tinsley
Harry K. Lowman	Carl J. Ruh	Ralph N. Walter
True Mackey	Roy Searcy	Harry Lee Waterfield
Damon Majors	Paul E. Shannon	Morris Weintraub
William T. Marshall	Gus Sheehan, Jr.	G. F. Williamson
G. Lee McClain	J. Claude Stacy	Charles W. Wirsch

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Those who voted in the negative were—

Sidney Baer	Durham W. Howard	Amos Runyan
R. Josh Cosby	Maurice G. Howard	Dr. Roy Sanders
Henry C. Hale	Homer E. Losey	John M. Spaulding
Harold G. Helm	A. L. (Chick) Love	Roy Steers
Woodrow W. Hollan	Leonard W. Preston	Fred M. Warns
W. M. Horn	W. R. Reasor	Lyle H. Webb

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Resolved that the title thereof be as aforesaid.

Mr. Burnley moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 255. AN ACT relating to elections, both regular and primary, with particular relation to the hours the polls are to be open, and the hour the board of election commissioners shall meet for the purpose of counting the ballots.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 118.040 of the Kentucky Revised Statutes is amended to read as follows:

The polls shall be opened at 6 a.m. and kept open continuously until 6 p.m. of the same day. Before receiving any ballots, the officers of election shall cause to be proclaimed that the election is opened.

Section 2. Section 119.040 of the Kentucky Revised Statutes is amended to read as follows:

The primary election for the nomination of candidates by political parties to be voted for at the next regular election shall be held on the first Saturday in August of each year between the hours of 6 a.m. and 6 p.m., at the regular polling places in each election precinct.

Section 3. Subsection (1) of Section 118.350 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the hour of 6 p.m. arrives the election officers shall announce the fact at the door of the voting room and close the polls. They shall take charge of the ballot box, and in the presence of each other shall place the lock on the small vent in the lid and securely lock it. The election officers shall then place upon all unused stubs and ballots, with rubber stamp or by writing, the word, "Unused," and place them, with the stub book and other utensils or election material, into the linen envelope provided by the county clerk for the purpose, and shall seal with sealing wax across the seal of the envelope and place the county election seal upon the wax, so as to make the letters plainly visible in three different places on the envelope. The sheriff of election and the judge of oposite faith shall forthwith convey the ballot box, the key to the vent lock, and the envelope to the county clerk, taking his receipt therefor. The sheriff and judge shall see that no person other than themselves has access to, or custody of, the ballot box, and they shall each remain in the presence of the other until the box, key and envelope are delivered to the county clerk.

Section 4. Subsection (3) of Section 118.370 of the Kentucky Revised Statutes is amended to read as follows:

(3) The county board of election commissioners shall meet for the purpose of counting the ballots, issuing certificates and

making a report, at 7 p.m. on the day of the election, in the office of the county clerk or in some other room designated by the board. The board shall proceed as speedily as practicable to count the ballots of every precinct in the county. At the finish of each precinct the board shall announce the results at the door of the room where the count is being conducted, and shall fill out the blank in the back of the stub book provided for that purpose, and each commissioner shall sign the blank in the proper place. The board shall remain in session for the purpose of ascertaining the results of the election until midnight on the election day, and if the count is not then completed it may then adjourn until the following day at 8 a.m., unless the following day is a Sunday, in which case it shall adjourn until 8 a.m. on the day following the Sunday. If the day following the election is a legal holiday, the board may adjourn until 8 a.m. on the day following the legal holiday. On the adjourned day the board shall remain in session, if necessary to complete the count, until 6 p.m., or longer in its discretion. If the count is not then completed, the board shall reconvene during the same hours on each succeeding day, except Sundays and on such legal holidays as the board decides not to meet, until the count is completed.

Mr. Hilton moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bill Adams	Woodrow W. Hollan	C. S. Nabb
Sidney Baer	Chester J. Holsclaw	Dr. C. E. Palmore
Fred Beshear	W. M. Horn	James H. Polsgrove
J. D. Buckman, Jr.	Richard R. Houpt	Carl J. Ruh
Charles W. Burnley	Maurice G. Howard	Amos Runyan
Stanley Carter	Robert N. Hubbard	Dr. Roy Sanders
Paul Combs	Silas Jacobs	Paul E. Shannon
Thomas R. Duncan	Paul S. Jonas	Gus Sheehan, Jr.
Henry C. Hale	Barkley Jones	John M. Spaulding
C. A. Hammons	Mrs. J. T. Linton	Mrs. Thelma Stovall
James P. Hanratty	Harry K. Lowman	Fred M. Warns
George F. Harris	William T. Marshall	Harry Lee Waterfield
Paul E. Hayes	Alton Mitchell	Morris Weintraub
E. R. Hilton	Archie R. Moore	Charles W. Wirsch

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Those who voted in the negative were—

Edgar Arnett	Durham W. Howard	W. R. Reasor
Leonard T. Bean	William Jones	Roy Searcy
Charles J. Bronston	Homer E. Losey	Forest Smith
R. Josh Cosby	A. L. (Chick) Love	J. Claude Stacy
Owen Deering	True Mackey	Roy Steers
G. I. Drury	Damon Majors	W. R. Stringer
John A. Head	Jack McPherron	Ralph N. Walter
Harold G. Helm	Walter R. Moorman	Lyle H. Webb
William K. Henry	Leonard W. Preston	

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Resolved that the title thereof be as aforesaid.

Mr. Hilton moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the House do now adjourn to meet again at 11 o'clock, a.m., Wednesday, March 15, 1950.

Said motion was disagreed to.

Mr. Preston moved that the House do now adjourn to meet against at 9 o'clock, a.m., Wednesday, March 15, 1950.

Mr. Hanratty moved to amend the motion as made by Mr. Preston in that when the House adjourns today it adjourn to meet again at 11 o'clock, a.m., Wednesday, March 15, 1950.

Said motion was agreed to.

Mr. Preston moved that the House do now adjourn.

Said motion was disagreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 417. AN ACT relating to district detectives.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (2) of Section 69.110 of the Kentucky Revised Statutes is amended to read as follows:

(2) In counties containing a city of the second class the Commonwealth's attorney shall, and in counties not containing a city of the second class but containing a population of 40,000 or more persons may, appoint a district detective for a term of four years subject to removal at any time by the Commonwealth's attorney. He shall receive an annual salary of not less than \$1,800, nor more than \$3,600, to be paid out of the county levy in equal monthly installments.

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	Archie R. Moore
Bill Adams	E. R. Hilton	C. S. Nabb
Edgar Arnett	Woodrow W. Hollan	Dr. C. E. Palmore
Sidney Baer	Chester J. Holsclaw	James H. Polsgrove
Leonard T. Bean	Richard R. Houpt	Leonard W. Preston
Fred Beshear	Durham W. Howard	W. R. Reasor
Charles J. Bronston	Maurice G. Howard	Carl J. Ruh
J. D. Buckman, Jr.	Robert N. Hubbard	Amos Runyan
Charles W. Burnley	Silas Jacobs	Dr. Roy Sanders
Alex Calvert	Paul S. Jonas	Roy Searcy
Stanley Carter	Barkley Jones	Paul E. Shannon
Paul Combs	Jesse H. Lawrence	Gus Sheehan, Jr.
R. Josh Cosby	Mrs. J. T. Linton	Roy Steers
G. I. Drury	A. L. (Chick) Love	Mrs. Thelma Stovall
Thomas R. Duncan	Harry K. Lowman	W. R. Stringer
C. A. Hammons	True Mackey	Fred M. Warns
James P. Hanratty	Damon Majors	Morris Weintraub
George F. Harris	Jack McPherron	Charles W. Wirsch
Paul E. Hayes		—55

Those who voted in the negative were—

Forest Smith	John M. Spaulding	—2
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 308. AN ACT relating to the Teacher's Retirement System.

With Committee amendment thereto by way of substitute therefor.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 161.660 of the Kentucky Revised Statutes is amended to read as follows:

Any member, who has completed ten years of accredited service in the public schools of the State of Kentucky, five of which immediately preceded retirement, may retire for disability and shall be granted a disability allowance to be paid from the funds of the retirement system. The disability allowance of each member retiring for disability shall be calculated in the same manner as the allowance for a superannuated member, excepting and providing that the factor used in final determination of the annuity shall be the factor corresponding to age sixty and not the factor corresponding to age at retirement. The minimum disability allowance shall be three hundred dollars per year. The same maximum provisions as apply for members retiring for superannuation shall apply in all cases of retirement for disability.

Section 2. A new section of the Kentucky Revised Statutes is hereby created, to be numbered KRS 161.705 and to read as follows:

(1) Any member of the teachers' retirement system or the board of education, employing such member, or both, may make voluntary contributions of two percent or more of such member's annual compensation to the retirement system for the benefit of such member. Such contributions shall be invested as provided in KRS 161.430.

(2) Upon retirement, any such member shall receive in addition to retirement allowances provided by law, such annuity as has been earned by the voluntary contributions made by or for such member, computed upon an actuarial basis. The member shall have the same benefit options with respect to such additional annuity as are provided in KRS 161.630.

(3) Upon the death or withdrawal from the retirement system of any member for any reason other than retirement, such member or the estate of such member and the board of education shall each be reimbursed respectively for any voluntary contributions made by or on behalf of such member to the retirement system. Such reimbursement shall be made in a lump sum with regular interest.

Said Committee amendment to said bill by way of substitute therefor is as follows, viz:

AN ACT relating to the Teachers' Retirement System, amending Section 161.660 reducing the requirements for retirement for disability; and creating a new Section 161.705 providing for voluntary contributions to the retirement system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 161.660, Kentucky Revised Statutes, is amended to read as follows:

Any member, before he has attained the age of 60, who has completed twenty years of accredited service in the public schools of the state of Kentucky, five of which immediately preceded retirement, may retire for disability and shall be granted a disability allowance to be paid from the funds of the retirement system. The disability allowance of each member retiring for

disability shall be calculated in the same manner as the allowance for a superannuated member, excepting and providing that the factor used in final determination of the annuity shall be the factor corresponding to age 60 and not the factor corresponding to age at retirement. The minimum and maximum provisions as apply for members retiring for superannuation shall apply in all cases of retirement for disability.

Sec. 2. A new section of the Kentucky Revised Statutes is hereby created, to be numbered 161.705 and to read as follows:

(1) Any member of the Teachers' Retirement System, or the Board of Education, employing such member, or both, may make voluntary contributions of two per cent or more of such member's annual compensation to the retirement system for the benefit of such member. Such contributions shall be invested as provided in KRS. 161.430.

(2) Upon retirement, any such members shall receive in addition to retirement allowances provided by law, such annuity as has been earned by the voluntary contributions made by or for such member, computed upon an actuarial basis. The member shall have the same benefit options with respect to such additional annuity as are provided in KRS. 161.630, excepting as provided in subsection (3) of this Section.

(3) Upon the death or withdrawal from the retirement system of any member for any reason other than retirement, such member or the estate of such member, and the Board of Education shall each be reimbursed respectively for any voluntary contributions made by or on behalf of such member to the retirement system. Such reimbursement shall be made in a lump sum with average earned interest or a rate of interest fixed by the Retirement Board. Upon death after retirement no such reimbursement shall be made.

Said Committee amendment to said bill by way of substitute therefor was agreed to.

Ordered that said bill be engrossed and read at length the third time.

Mr. Durham W. Howard moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	E. R. Hilton	Dr. C. E. Palmore
Bill Adams	Woodrow W. Hollan	James H. Polsgrove
Edgar Arnett	Chester J. Holsclaw	Leonard W. Preston
Sidney Baer	W. M. Horn	W. R. Reasor
Leonard T. Bean	Richard R. Houpt	Carl J. Ruh
Fred Beshear	Durham W. Howard	Amos Runyan
Charles J. Bronston	Maurice G. Howard	Dr. Roy Sanders
J. D. Buckman, Jr.	Robert N. Hubbard	Roy Searcy
Charles W. Burnley	Silas Jacobs	Paul E. Shannon
Alex Calvert	Paul S. Jonas	Gus Sheehan, Jr.
Stanley Carter	Barkley Jones	Forest Smith
Paul Combs	William Jones	Roy Steers
R. Josh Cosby	Jesse H. Lawrence	Mrs. Thelma Stovall
G. I. Drury	Mrs. J. T. Linton	W. R. Stringer
Thomas R. Duncan	A. L. (Chick) Love	Egbert V. Taylor
Henry C. Hale	Harry K. Lowman	Fred M. Warns
C. A. Hammons	True Mackey	Harry Lee Waterfield
George F. Harris	Damon Majors	Lyle H. Webb
Paul E. Hayes	Jack McPherron	Morris Weintraub
John A. Head	Archie R. Moore	Charles W. Wirsch
Harold G. Helm	C. S. Nabb	

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There voted in the negative—

John M. Spaulding

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 282. AN ACT relating to Court rules governing the practice of law and the State Bar, amending Section 30.170 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 30.170 of the Kentucky Revised Statutes is amended to read as follows:

- (1) The Court of Appeals shall adopt and promulgate rules:
 - (a) Defining the practice of law;
 - (b) Prescribing a code of ethics governing the professional conduct of attorneys and the practice of law;
 - (c) Establishing practice and procedure for disciplining, suspending and disbarring attorneys;
 - (d) Organizing and governing a Bar Association of the attorneys of the state to act as an administrative agency of the Court of Appeals for the purpose of enforcing such rules as are adopted and promulgated by the court under this section; providing for the government of the State Bar as a part of the judicial department of the state government, and for such divisions thereof as the Court of Appeals determines; requiring all persons practicing law in this state to be members in good standing of the State Bar; and fixing the form of its organization and operation;

(e) Fixing fees, not exceeding five dollars per year, to be paid for the purpose of administering this Section and the rules adopted and promulgated under it, and for the collection and disbursement of such fees.

(2) The rules of court adopted and promulgated under this section shall supersede all laws or parts of laws in conflict therewith, to the extent of the conflict.

(3) No rule adopted and promulgated under this section shall prevent a person not holding himself out as a practicing attorney from writing a deed, mortgage or will, or prevent a person from drawing any instrument to which he is a party.

Mr. Hayes moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams
Bill Adams
Edgar Arnett

Sidney Baer
Leonard T. Bean
Fred Beshear

Charles J. Bronston
J. D. Buckman, Jr.
Charles W. Burnley

Alex Calvert	Chester J. Holsclaw	Dr. C. E. Palmore
Stanley Carter	W. M. Horn	James H. Polsgrove
Paul Combs	Durham W. Howard	W. R. Reasor
R. Josh Cosby	Maurice G. Howard	Carl J. Ruh
G. I. Drury	Robert N. Hubbard	Amos Runyan
Thomas R. Duncan	Silas Jacobs	Dr. Roy Sanders
Henry C. Hale	Paul S. Jonas	Roy Searcy
C. A. Hammons	Barkley Jones	Paul E. Shannon
George F. Harris	Jesse H. Lawrence	Gus Sheehan, Jr.
Paul E. Hayes	Mrs. J. T. Linton	Roy Steers
Harold G. Helm	Harry K. Lowman	W. R. Stringer
William K. Henry	True Mackey	Lyle H. Webb
E. R. Hilton	Jack McPherron	Charles W. Wirsch
Woodrow W. Hollan	C. S. Nabb	—50

Those who voted in the negative were—

A. L. (Chick) Love	Leonard W. Preston	John M. Spaulding
		—3

Resolved that the title thereof be as aforesaid.

Mr. Hayes moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 175. AN ACT relating to compensation of reporters for circuit courts of continuous session in counties having a population of less than 150,000 and in circuit courts not of continuous session in counties containing a city of the second class, amending Section 28.450 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 28.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) Reporters for circuit courts of continuous session in counties having a population of less than 150,000, and in circuit courts not of continuous session in counties containing a city of the second class, shall receive for their services in taking stenographic notes a salary of not less than three thousand dollars nor more than three thousand six hundred dollars per annum, to be fixed by the fiscal court and paid in monthly installments by the county.

(2) For making original transcripts reporters shall receive twenty cents per one hundred words. In civil actions involving less than five hundred dollars they shall receive ten dollars per day for taking stenographic notes of said actions and twenty cents per one hundred words for the original transcript thereof, which shall be paid forthwith by the party in whose behalf the record or transcript is ordered, and same shall be taxed as part of the costs of the action. In criminal cases the fee for making transcripts shall be paid by the county in which the court is held when the transcript is made upon motion of the Commonwealth. In cases where the offense is a misdemeanor the party asking for the reporter's services shall pay for the same at the rate of ten dollars per day. If the transcript is made upon motion of the defendant in a criminal case he shall pay the fee therefor, unless the court directs the reporter to file a transcript upon the motion of a party suing in forma pauperis, in which event the fee shall be paid by the county.

(3) For duplicate copies of transcripts, reporters for circuit courts of continuous session in counties having a population of less than 150,000, and in circuit courts not of continuous session in counties containing a city of the second class, shall be allowed one half the amount they are allowed for the original, to be paid for in the same maner as the original. If, however, a duplicate transcript is ordered by a second party, it shall be considered for all purposes the same as an original transcript, and shall be paid for at the original rate.

Mr. Weintraub offered the following amendment to said bill, viz:

Amend printed copy of H. B. No. 175, on page 2, lines 33, 34, 35 and 36 by deleting the entire sentence beginning "If, however," and ending "original rate."

Said amendment to said bill was agreed to.

Ordered that said bill be engrossed and read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, and same having been engrossed, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	Jack McPherron
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	E. R. Hilton	Dr. C. E. Palmore
Fred Beshear	Woodrow W. Hollan	James H. Polsgrove
Charles J. Bronston	Chester J. Holsclaw	W. R. Reasor
J. D. Buckman, Jr.	W. M. Horn	Carl J. Ruh
Charles W. Burnley	Richard R. Houpt	Amos Runyan
Alex Calvert	Robert N. Hubbard	Roy Searcy
Stanley Carter	Silas Jacobs	Paul E. Shannon
Paul Combs	Paul S. Jonas	Gus Sheehan, Jr.
R. Josh Cosby	Barkley Jones	John M. Spaulding
G. I. Drury	William Jones	Roy Steers
Thomas R. Duncan	Jesse H. Lawrence	W. R. Stringer
Henry C. Hale	Mrs. J. T. Linton	Fred M. Warns
C. A. Hammons	True Mackey	Morris Weintraub
James P. Hanratty	Damon Majors	Charles W. Wirsch

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There voted in the negative—

A. L. (Chick) Love

—1

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

At the instance of the Committee on Rules, the House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 378. AN ACT relating to compulsory school attendance, amending Section 159.150 and subsection (1) of Section 159.990 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 159.150 of the Kentucky Revised Statutes is amended to read as follows:

Any child who has been absent from school without valid excuse for more than one day in any one calendar week, or tardy on more than three days, is a truant. Any child who has been reported as a truant more than three times is an habitual truant. Being absent for less than half a school day shall be regarded as being tardy.

Sec. 2. Subsection (1) of Section 159.990 of the Kentucky Revised Statutes is amended to read as follows:

Any parent, guardian or custodian who willfully fails to comply with the requirements of KRS 159.010 to 159.170 shall be fined not less than ten dollars nor more than twenty dollars for the first offense, and for each subsequent offense, not less than twenty dollars nor more than fifty dollars, or confined in the county jail for not less than five days nor more than ten days, or both.

Mr. Williamson moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and rejected.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Edgar Arnett	Henry C. Hale	C. S. Nabb
Sidney Baer	E. R. Hilton	W. R. Reasor
Fred Beshear	Woodrow W. Hollan	Amos Runyon
Charles J. Bronston	W. M. Horn	Roy Searcy
Charles W. Burnley	Paul S. Jonas	Paul E. Shannon
Stanley Carter	Mrs. J. T. Linton	Gus Sheehan, Jr.
R. Josh Cosby		

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Those who voted in the negative were—

Leonard T. Bean	Silas Jacobs	Dr. C. E. Palmore
J. D. Buckman, Jr.	Barkley Jones	Leonard W. Preston
Alex Calvert	William Jones	Carl J. Ruh
Paul Combs	Jesse H. Lawrence	Forest Smith
C. A. Hammons	A. L. (Chick) Love	Roy Steers
Paul E. Hayes	True Mackey	W. R. Stringer
Harold G. Helm	Jack McPherron	

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And so said bill was rejected. .

Mr. Preston moved that the vote by which said bill was rejected be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hanratty moved that the House do now adjourn.

Said motion was agreed to.

And then the House adjourned.

